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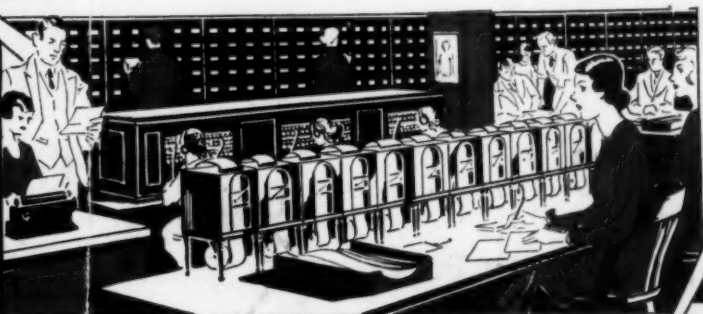
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The CREDIT WORLD

Only Magazine Devoted Exclusively to Retail Credit



The Credit Bureau—Guardian of Credit Records

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Twenty-Second Annual
Convention and Credit-
Sales Conference

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National Retail
Credit Association,
Rochester, N. Y.

June 18-21, 1935

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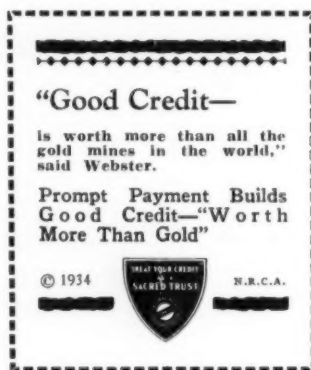
APRIL, 1935



Vol. XXIII, No. 7

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If every American citizen would make a patriotic effort to pay up all his bills—it would put billions of dollars into circulation. Money that could be used to buy more merchandise—stimulate production—and put millions back to work!

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National Retail Credit Association

Executive Offices

St. Louis, Mo.



Order from Your Credit Bureau or the National Office

The CREDIT WORLD

(Registered U. S. Patent Office.)

Official Magazine of the NATIONAL RETAIL CREDIT ASSOCIATION

April, 1935 Vol. XXIII No. 7

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To Credit Managers-- Credit Bureau Managers-- and Collection Men:

Greetings:

Plan now to attend the most outstanding Convention in the history of our National Organization. Convention dates—JUNE 18 to 21, 1935. Place—ROCHESTER, NEW YORK.

The Rochester Committees report that all plans for the biggest and best Convention in our history are about completed.

Rochester is preparing for the largest gathering of Credit Executives, Store Owners, Bureau Managers, Collection Managers, etc., ever gathered together!

Our Program Committee has arranged a particularly workable program which will be made up practically 100 per cent of subjects in which we are all vitally interested.

Our National Association has taken a new lease on life. From every section of the country numerous cities are reporting headway and great interest.

Remember, we have passed from the old scheme of things into what might be termed A NEW EXISTENCE. Credit and collection technique have taken on an entirely new form.

We believe we are on the threshold of the greatest period of prosperity ever known. You will cash in on this opportunity exactly in proportion to your ability to seize upon present-day opportunities and the interest you show in the welfare of your employer and yourself.

Your attendance at the Rochester Convention will not only evidence interest, but also a sincere desire to progress. Remember, our National Association is going ahead by leaps and bounds. Let's all go with it!

We will look for you at Rochester next June.
Plan now to attend.

C. M. REED,
President.

EDITORIAL COMMENT

By L. S. CROWDER

Where Are Retailers Headed?

IN THE fight for new business in the installment field, two fundamentals of retailing have been overlooked: Quality of merchandise and service of the store are apparently no longer factors in the building of sales—credit terms are now paramount.

The following terms are from recent St. Louis newspaper advertisements:

Refrigerators: "No Down Payment—and Monthly Payments so easy you will never miss the money!" "No Money Down—Just a few cents a day." "No Money Down—3 ways to buy." "No Down Payment—We will deliver and install one without a Down Payment—You deposit at rate of 15c a day."

Tires: "No cash down—Up to 6 months to pay—Your Credit is good here."

Electric Vacuum Cleaners: "No Interest—No Carrying Charge."

Furniture Dealer: "No Money Down on Anything in Our Store."

Ironer: "No Down Payment—Small Carrying Charge on Deferred Payments."

Similar conditions prevail in many cities throughout the country.

In only one ad, that of Sears, Roebuck & Company, is an effort made to interest the customer in the merchandise and not in the credit terms: "Living Room Suite, \$75.00 Cash, \$7.00 Down, \$7.00 a Month, Small Carrying Charge. Refrigerator, \$139.50 Cash, \$5.00 Down, \$8.50 a Month, Small Carrying Charge."

All retailers could profit by the excellent showings of the two major mail order houses in increased sales and profits for 1934. The annual report of Montgomery Ward and Company shows an increase in time payment and charge account sales of 40 per cent over 1933, with time payment accounts running an average of 8 months.

Both houses do an outstanding time payment job, because they have the courage of their convictions, they have standard credit terms, require a substantial down payment, approximately 10 per cent except on electric refrigerators, and competition in the communities in which they have retail stores does not concern them. They obtain their share of desirable time payment business and they do not sell credit terms.

The terms of payment and carrying charge of the Brown Fence & Wire Company, Cleveland, shown at bottom of next column, are very similar to the terms of Ward's and Sears'.

The following is quoted from *Retailing* of March 25, 1935:

"Too Liberal"

"Taken by and large, this record indicates that stores that sell on the installment plan—both furniture and department stores—are too liberal on terms. They are apparently so pressed for business that they are willing to open an account on a low down payment, and on a contract that allows for completion of the sale within a period up to two years, and more.

"That that is not a meritorious record need not be noted here. Everybody knows it. Unfortunately, competition is so keen that nothing is done about it."

Retail executives are urged to consider other than the sales angle in the building of installment business. Common sense, plus sound business judgment, is needed. The terms appearing in the several ads referred to indicate that no one retailer has an advantage, that terms are sold by his competitor as well. The only person to benefit is the consumer—who unfortunately, because of a desire for buying credit terms, is often a poor credit risk.

The fact that from twenty-five to forty per cent of such applications for credit are rejected is indicative of the type of customer such ads attract.

The further fact that they selected your store would indicate that they are your customers—cash customers—and when you decline their applica-

TERMS OF PAYMENT

Easy terms of payment are offered only on orders of \$20.00 or more. Simply add the low carrying charge as shown below to the amount of your order. Send first payment with order and then send the monthly payment each month as shown here.

Cash Price of Order	Add for Easy Payment Plan	First Payment with Order	Monthly Payments
\$ 20.00 to \$ 25.00	\$ 2.50	\$ 3.00	\$ 4.00
25.01 to 30.00	3.00	4.00	5.00
30.01 to 35.00	3.50	4.00	5.00
35.01 to 40.00	4.00	5.00	5.00
40.01 to 45.00	4.50	5.00	5.00
45.01 to 50.00	5.00	5.00	6.00
50.01 to 60.00	5.50	5.00	6.00
60.01 to 70.00	6.50	6.00	7.00
70.01 to 80.00	7.50	7.00	7.50
80.01 to 90.00	8.50	8.00	8.00
90.01 to 100.00	9.50	9.00	8.50
100.01 to 125.00	11.00	10.00	9.50
125.01 to 150.00	13.50	12.00	10.50
150.01 to 175.00	16.00	15.00	12.00
175.01 to 200.00	17.50	17.00	13.00
200.01 to 225.00	20.00	20.00	14.00
225.01 to 250.00	22.50	22.00	15.00
250.01 to 275.00	24.00	25.00	16.00
275.01 to 300.00	26.00	27.00	17.00

Write for easy payment terms on purchases over \$300.00

tions for credit, regardless of the courtesy and diplomacy of your Manager of Credit Sales, the majority of such customers feel a resentment to-

ward your store. This results in a loss of good will and probably the customers' future cash business.

Have you weighed the cost (although intangible) in this respect, and the cost in making the sales, interviewing the customers, checking their credit, etc.? A careful study of the costs will surprise you.

Retailers in all lines of business and in every city can get together on standardized terms, if only an effort is made. *It has been and is being done.*

More than a year ago the principal furniture dealers of Youngstown, Ohio, adopted the following terms:

"A Deferred Payment or Installment Account shall be defined as any account which is covered by a chattel mortgage on the merchandise for which the account is created. When payment of the account is agreed upon to cover a period longer than 60 days from date of sale it shall be considered a Deferred Payment Account.

"The required down payment shall be consistent with the kind of merchandise but should not be less than twenty per cent (20%) of the amount of the purchase.

"A carrying charge at the rate of three-fourths of one per cent per month for each month during the period covered by the contract will be added, with the understanding that if the amount is paid up in full within one month after date of purchase the carrying charge will be cancelled.

"The maximum terms to be allowed on balances up to \$50.00 will be six (6) months. On balances over \$50.00 and up to \$500.00 the maximum terms will be twelve (12) months. On balances over \$500.00 the maximum terms will be eighteen (18) months. Balances shall be interpreted to mean the amount of the sale less the down payment. No terms to be longer than eighteen (18) months."

Results have been highly satisfactory and it is reported that there is complete cooperation between the store executives.

On March 27, a conference sponsored by the National Association of Sales Finance Companies was held in Chicago, the result of my request of December 27, 1934, to Mr. John R. Walker, Executive Vice-President of that association, to join our association in discouraging the sale of electric refrigerators on Winter Selling and similar plans.

The following associations and companies were represented:

National Association of Sales Finance Companies, Chicago.

Merchants Discount Corporation, Duluth.

General Motors Acceptance Corporation, New York.

Domestic Finance Company, Kansas City.

Bankers Commercial Corporation, Chicago.

Devonshire Financial Service Corporation, Boston.

General Electric Contracts Corporation, New York.

Minneapolis Securities Corporation, Minneapolis.

C. I. T. Corporation, Chicago.

Reserve Discount Corporation, St. Louis.

Illinois Retail Hardware Association, Chicago.

National Retail Hardware Association, Indianapolis.

National Electric Manufacturers Association, New York.

Refrigeration Discount Corporation, Detroit.

General Electric Company, Specialty Appliance Sales Department, Cleveland.

National Retail Credit Association.

Also, the following Chicago retailers: Montgomery Ward & Company; The Fair; Mandel Brothers; Wieboldt Stores, and Carson, Pirie, Scott & Company.

Mr. J. B. Perlee, Vice-President, Merchants Discount Corporation, Duluth, Minnesota, and Chairman of the Diversified Financing Committee of the National Association of Sales Finance Companies, acted as chairman of the meeting.

It was the unanimous opinion of those present that the time payment price should reflect the expenses involved, such as credit investigation, capital invested, cost of handling, including repossession, and reconditioning of repossessed merchandise. Also that the cash price and time payment price should be publicly displayed, and the difference between the cash and time payment prices designated as a carrying charge.

It was recommended that the maximum time should be determined by the life of the merchandise, depreciation and obsolescence influencing the terms of payment.

The following standard terms were recommended:

	Down Payment	Time Months
Refrigerators, Domestic	10%	24
Commercial	20	24
Apartment House	10	36
Washing machines & ironers	10	15
Radios	10	12
Vacuum cleaners	10	12
Stokers, Domestic	10	24
Commercial	20	24
Oil Burners	10	24
Oil burning furnaces	10	24
Heating equipment	10	24
Furniture and Furnishings:		
Up to \$ 50	10	8
50-150	10	10
150-200	10	12
200-250	10	15
Over 250	10	18

Minimum down payment and minimum monthly payment, all classes of merchandise, \$4.50.

(These terms have since been adopted by the National Association of Sales Finance Companies as the standard time sale terms of that organization.)

(Continued on page 5.)

The Banking View of Retail Credit

By HARRY L. WUERTH

Credit Manager, Commerce Trust Co., Kansas City, Mo.

IT IS my desire to bring to you a somewhat different perspective on retail credit from that which presents itself in the everyday routine of your work. It is also my desire to bring to you a realization of the importance of your positions as retail credit executives in the business structure of the nation and also the importance of the position you occupy in the successful operation of your respective organizations.

It is the liquidation or collection of credit favors extended by retailers as a whole industry or individually, which enables the retailer to pay the wholesaler, the wholesaler to pay the manufacturer, the manufacturer to pay his suppliers, and so on, until the last obligation in the series is paid. If retail credit is not maintained on a sound basis, the retailer cannot pay the wholesaler and the entire circle is disrupted. The results are obvious.

You, as retail credit executives, play a most important part in your companies' operations. You are custodians of a fund of your own making, which is represented by accounts receivable, the diligent attention to which aids your company to prosper, or conversely, the lack of attention will hinder your companies' progress and in a great many instances may lead to financial difficulties.

Your position is a most delicate and trying one and requires considerable diplomacy. On the one hand, there is the sales department, which argues that you are hindering sales by refusing to pass credits—on the other hand, the management which, with an investment at stake, wishes credit losses to be at a minimum. The test of a capable retail credit executive is his ability to reconcile these interests.

If the credit loss sustained by your company, plus the expense of operating your credit department, is not less than the profit obtained through the increase in sales attributable directly to credit favors, after giving consideration to overhead or burden charges carried by credit sales, then your organization is not justified in extending credit.

While you are passing on the credit of contemplated or present customers of your store, you are automatically contributing to the credit rating and standing of the establishment you represent. As already mentioned, accounts receivable are a trust fund over which you are the custodian. You are the creator and builder of this fund and you are therefore responsible for its contents. The management has intrusted to you that proportion of the company's net worth which is represented by the total amount of your fund of accounts.

For your company to pay its trade and other obligations it must have cash, not accounts receivable. You, as custodians of this part of the company's net worth, must provide your share of the needed cash through the current collection of the accounts you have accumulated. Providing your company has been properly financed in the beginning, you may be responsible for its ability to discount or pay its trade obligations promptly.

Just as there are retail credit bureaus compiling credit data on individuals, which aid you in your task, there are wholesale interchanges compiling credit information on retail establishments. These latter exchanges aid wholesale credit managers in determining whether or not to sell your firm. While you have dictatorial power over your credit customers, there are wholesale credit managers who have the same influence over your company's purchases.

Today, more than ever before, it is imperative that accounts be collected according to the terms of sale. There are two principal reasons for this:

First: Cost of merchandise and operating expenses are increasing and for a store to stock the same number of units, more cash is needed, and as far as credit sales are concerned, accounts receivable are the last process in converting the inventories into cash.

Second: What is equally, if not more important, is that during the past several years a great many retail as well as other establishments have sustained abnormal losses, with the consequent result that their working capital or working fund has been decreased.

Operating on a smaller working capital, with cost of inventory and operating expenses increasing, means that if a company is to discount or pay its trade obligations promptly or continue in business without curtailing operations, accounts receivable must be converted into cash more rapidly.

Many capable retailers are quite well satisfied when their net profit for the year amounts to the total of their earned trade discounts. If the financial structure of a retail store is properly balanced, it is necessary that accounts receivable be collected according to terms in order that trade obligations may be discounted. In other words, if a company is not earning its discounts it is most likely that it is not collecting its own receivables promptly and it is almost axiomatic that the organization is not making a reasonable business profit.

Due to the fact that inventory costs and operating expenses are increasing, coupled with the fact that working capital has been depleted through losses, many retail

Editor's Note:

This article was condensed from an address delivered before the First Annual Convention of the Seventh District of the National Retail Credit Association—Kansas City, Mo., February 18, 19, 1935.

establishments which have never asked for bank credit before, are doing so now. If they are not asking for bank accommodations, they are disposing of some of their

investments, which they have accumulated through the more profitable years.

Just as you retail credit executives cannot create retail credit, for that is something the customer has or does not have, in a like manner banks do not create credit, for that is something its customer has or does not have. Banks extend accommodations in one of two ways—either on a secured or unsecured basis.

Any firm or corporation, whether retail or otherwise, asking for an unsecured loan or line of credit should first submit a detailed balance sheet and operating statement for at least two consecutive years. At the outset seekers of unsecured bank credit, as well as secured credit, should realize that banks loan out funds, the title to which is invested in others, and their bank is entitled to and should be furnished with detailed information.

It is impossible to set out in this discussion all of the pertinent points in the analysis of a financial statement of a retail establishment seeking unsecured credit favors; however, it is my desire to emphasize certain factors which have reference to the working capital position. Working capital is the excess of current assets over current liabilities—in other words, working capital is the operating fund of the business. Generally included in current assets are cash, accounts receivable and merchandise, and, in current liabilities, all those liabilities coming due within one year.

The two current assets which deserve the closest scrutiny are inventories and accounts receivable. With inventories it is essential to know how they were taken, how valued, and if any obsolete items are included. With receivables it is absolutely necessary to know what they include, and here is where you as retail credit executives affect the banking opinion of the credit worthiness of your company.

In order to analyze properly a financial statement it is necessary, among other things, to have sales figures and an *aging of accounts receivable*. With this data it is possible to check up on you and determine what kind of job you are doing as custodian of part of the company's net worth. It is possible to determine if you are "freezing" a portion of the working capital or working fund of the business by permitting old accounts to accumulate.

It is the practice of many banks in the analysis of statements of retail concerns to include in current assets only those accounts up to 90 days old, and accounts over 90 days old are considered as frozen working capital and consequently a non-current asset.

As already mentioned, banks extend accommodations for supplementary working capital requirements and as they loan for working capital purposes, they must look at the true working capital position in an effort to determine the outcome if bank credit is injected into the picture. In most instances bank obligations of retail firms are paid through the orderly liquidation of accounts receivable. If an analysis of the receivables shows a large percentage is frozen, a bank would not be inclined to extend unsecured credit accommodations. For example, if the loan were for the purpose of stocking seasonable merchandise, the inventories so accumulated would in part be converted into receivables, and on the basis of past performance a portion would become frozen. The very thing a bank looks to for the payment of the loan—liquidity—would not be there.

Since banks loan out their depositors' funds when extending credit, they should not assume the business risk incident to the organization receiving the credit. This is exactly what they do assume when due consideration is not given to the condition of the accounts receivable.

In concluding, I wish to re-emphasize the two thoughts which have been the theme of this discussion: First—you as retail credit executives have a most important part in maintaining a sound credit structure in this nation, for you contact the actual consumer of goods and retail credit is the basis and beginning in credit. Second—you as retail credit executives have a most important part in establishing the credit rating and standing of your own company.

» » »

New West Virginia Law Permits Garnishee of City and County Employees

House Bill No. 187, passed recently by the West Virginia Legislature, permits "any creditor to garnishee or attach the wages or salary of any debtor residing within this state, whether or not such debtor is in the employ of any municipality, county, or any other political subdivision of this state."

An amendment, to be voted on in 1936, provides for the extension of the application of this law to state employees, according to the Charleston Retail Credit Association, Inc.

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Where Are Retailers Headed?

(Continued from page 3.)

Also, it was further recommended that the Winter Selling and similar plans for refrigerators and Summer Plans for oil burners be kept within the schedule of recommended standard terms.

While the Meter Plan of selling refrigerators was criticized, it was brought out that the plan originated in one of the large department stores on the Pacific Coast and had been largely fostered by department stores. It was felt that for the time being no attempt should be made to have it discontinued.

It was stated, however, that credit rejections, under the Meter and No Down Payment Plan, to be sound, should be between 30 and 40 per cent, which, if true, in my opinion outlaws the plan. No successful retailer can afford such a high percentage of rejections.

I recommend the adoption of the terms outlined and further that a carrying charge of not less than one-half of 1 per cent per month, be added on the deferred balance. Also that any account not paid within sixty days be considered a time payment sale.

It is my opinion that a carrying charge of this amount is necessary to cover all items of expense, and that no part of such expense should be buried in the credit office expense and borne by the monthly charge account business.



Consumer Credit Stimulates Building Industry

By GUY H. HULSE

Secretary and General Manager, National Consumer Credit Reporting Corporation, St. Louis

IT MIGHT seem premature to say that in the new real estate market that is dawning consumer credit will play a very conspicuous part but that statement is a "bull's-eye" for truth. In the recovery of the national real estate market credit investigation will be out in front, hand upraised as a toll-keeper, raising the toll bar for those who satisfy the requirements.

Consumer credit has never found the proper avenue in which to win universal respect and understanding; no novels or short stories have been written about it, no catch phrase has been coined that would bring its true message into every home. Yet without these aids consumer credit has won a place near the top of sound business practices accepted as essential for economic recovery.

Especially in the real estate market, in the rental field in the East, it is rare that a major realtor will draw a lease without first obtaining a favorable credit report on the prospective renter. Even faced with cash or a check as evidence of good faith the leasing agent can only shake his head and express polite regrets. The investigation of the renter is mandatory. Why this precaution? Why in these times of business recovery does anyone refuse such a proffer of money?

Business acumen is the answer. It has come from bitterly gained experience in the realty field. To discuss the underlying causes for this practice is merely to open old wounds. It must be apparent to the student of real estate trends that there have been too many losses in management operations. Many of these might have been eliminated through a careful risk investigation. Yet in the past, with money in sight that spelled commissions, few leasing agents gave much consideration or made any check-up on new renters.

Today, however, consumer credit must decide the case: Does the renter get the apartment, does the agent get a satisfactory lessee? If the result is favorable, the lease is signed; if there is a cloud of doubt, there is no lease.

Is such a practice justified? The realtor's ledger records the affirmative in black ink figures. In this transition era in which business is now passing there must never be another period of heavy financial loss in real estate as left its wreckage in the years 1930-1933. A second such shock could not be carried by the investing public.

Not only in the leasing field but also in granting home mortgage loans by large insurance companies a definite measurement of the personal credit risk has become a recognized operation of great importance. One large mortgage company in Philadelphia, handling as high as 12,000 loans amounting to some 40 million dollars, made

it a consistent policy to require a credit report before a proposed loan would be considered. Should the report be unfavorable, the expense of the appraisal and other operations is saved.

Back in the so-called "prosperity" era quite a volume of business was built up on the theory of mortgage guarantee. The mortgagee bought an insurance policy which in effect sought to secure the loan he granted. Repayment of the principal was guaranteed for an annual premium charge.

This was the widely heralded guaranteed mortgage. Millions of dollars went into this business. With the weakening of real estate and its low ebb during 1930-1932 part of those same millions poured back to policyholders. Too many millions were lacking with which to meet all of those "insured" obligations. Failure blasted into fragments the former mortgage market; money went into hiding.

Now that it can be told, executives of two of the largest corporations which dealt in guaranteed mortgages frankly admitted the primary cause for failure: "Indifference to the human element." Their companies had granted loans in the face of uncertain income conditions, unknown domestic problems, unforeseen personal habits. In the light of these later pieces of evidence (found after failure had wrecked operations) many of those extensions could never have merited justification.

Adequate credit knowledge about these borrowers would have saved many from financial catastrophe; it would have prevented insurance of poor risks and the subsequent heavy losses paid out upon default of mortgagors. Today, long-faced receivers struggle over the

Business and government are co-operating in order that homes may be improved and living conditions enhanced. The effects of this co-operative effort will be felt in every branch of manufacture and distribution.

It will reach into the home life of a majority of the citizens of this country. It is a worthy project splendidly conceived for the betterment of business and social conditions.—Guy H. Hulse.

doubtful problem of salvaging any crumbs from those multi-million-dollar "crack-ups."

Turning to conditions in the real estate market of today, another new feature has been caught in the spotlight

of public attention . . . *character loans* for property improvement. Less than five years ago a request at a bank for a character loan would have been met with a cold and stony refusal. Now the story is different. Credit takes a hand, making that change in lending policy possible for anyone who deserves the privilege and who meets the qualifications.

Popular demand has forced the bankers to modernize their lending traditions, to coincide with the needs of the present times. In the same way they have learned the wisdom of making rigid tests of the borrower's credit rating before undertaking an obligation, not with their own funds but those of their depositors. That this measurement of the borrower's credit has not been an idle gesture is revealed by the fact that many applicants for character loans, lacking proper qualifications, have been denied. Complete knowledge of consumer credit has minimized the risk in this branch of the nation's banking business.

No stethoscope is necessary to catch the quickening pulse of general business at the close of the old year. Only those in high positions can best realize that this could not occur without the contributing assistance of credit knowledge. Recovery is aided by the acceleration of business which in turn is possible through the judicious use of consumer credit.

The credit reporting fraternity ought not overlook the fact that with the swell in national business volume there will be a like demand for credit information. One must keep pace with the other. Unless the two pull with equal force a snarl in business results. The objective for all alert credit executives should be to keep their eye on the changes in business and apply credit reporting service in such way that it meets maximum requirements.

Real estate activities have no monopoly on credit. Demand for consumer credit will likely reach a new peak during 1935. Like a recovering giant again feeling his returning strength, business might be tempted to spread out too rapidly. Credit control as it acts to reduce losses in this field will likewise be another reliable check with which to maintain sane spending.

With enlarged demand for credit reporting services there will be added problems which heretofore have not existed. How best to align the services of the credit organization to the new needs is a problem for the executive to visualize and arrange. Returning to the real estate market the influence of the Federal Government is universally acknowledged. Already it has made gigantic impressions in the national market for home improvements as well as in the new field for home mortgages now ready for operation.

Do credit bureaus fully realize the volume of this business? *Approximately 600 insured loans are recorded with the FHA each day. Each approved loan has been required to pass a satisfactory risk analysis.*

Likewise there is a larger volume of bank and financing loans obtained for housing purposes but not insured through the facilities of the Housing Administration. Doubtless this amounts to approximately a half million in number, each one succeeding because of satisfactory credit status. This gives some indication of the real estate market's reliance upon nation-wide search of the home borrower's credit standing.

The HOLC throughout the country has made countless loans to distressed property owners and again each of these borrowers achieved that relief only because of accepted risk standing. Only the credit agencies could have provided the ultimate answer which as "yes" has meant aid during these crucial times.

Each succeeding month proves there is a distinct trend to increasing reliance upon practical and capable information which measures credit risk. This function has become a part of the Government's plan leading to stabilization of the real estate market and its attendant impetus toward economic recovery.

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Kansas Meeting at Fort Scott

Credit executives of Kansas and adjoining states have been invited to attend the semi-annual meeting of the Kansas Associated Credit Bureaus at Fort Scott, April 21-23. The Fort Scott Retail Credit Association, according to F. H. Gaschen, Manager, has prepared a program of interest to credit managers as well as bureau managers.

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A New "Gold" Membership Sign

For the use of National members, we have developed a new National Membership Sign. Printed in deep purple, on heavy-weight gold cardboard, it makes an attractive, attention-getting emblem—worthy of a place in any credit office. Actual size, 6 inches wide by 7 inches deep—punched for hanging, if desired.

Prices: One, 15 cents; two, 25 cents; five, 50 cents. Special prices to local associations in lots of 100 or more—with the name of the local association (instead of the National's) imprinted. Write for prices: National Retail Credit Association, 1218 Olive Street, St. Louis, Mo.



March Trends -- a Fast-Reading Summary

... A nation-wide cross section of facts and opinions on retail collections and credit sales for March, 1935, as compared with March, 1934, compiled by Research Division -- National Retail Credit Association ...

I NASMUCH as Easter falls in April this year and March had one less business day than March last year, collections and credit sales during March, 1935, did not keep pace with the increases indicated during the previous months.

Collections and credit sales in the New England district were fair with average increases of 2.9 per cent

tiles. Trade is showing hesitancy about any long-term buying. This is due to lack of confidence in the textile industry, which, in turn, affects all other activities. Building trades, however, show an increase over 1934.

Collections and credit sales in the New York, New Jersey and Pennsylvania area were also only fair. . . . Rochester, New York, reports that March credit sales were particularly gratifying in comparison with March, 1934, when all Easter shopping occurred. So far inclement weather has retarded Easter buying. . . . Collections in Syracuse, New York, have been increasing consistently during the past twelve months.

Collections as well as credit sales were good in the North Carolina and District of Columbia section, the average being 8.8 per cent and 8.9 per cent respectively. . . . Greensboro, N. C., reported that the increase in collections showed up much better on monthly accounts than on installment accounts, the indication being that there is an apparent tendency to "stretch out" time payments. "Poor sales weather" (greatest rainfall since 1923) together with a late Easter demand, slowed up sales considerably, or the increase would have been more pronounced.

Collections were good in the South Carolina, Mississippi, Louisiana, Florida and Alabama region, with an increase of 11.3 per cent over March, 1934. However, credit sales were only fair. . . . Hattiesburg, Miss., reported an increase of 50 per cent in collections—the greatest increase reported of all the cities reporting for March, 1935—while Charleston, S. C., reported collections slow, with a decrease of 10 per cent. This decrease was partly due to unemployment. On the other hand, there was an increase in credit sales in the automobile and electrical equipment lines.

Collections were considered good in the Tennessee, Missouri, Kentucky, Kansas and Arkansas division with an average increase of 3.7 per cent—Hutchinson, Kan., reporting the greatest increase for this division, 21.0 per cent. Hutchinson also reported general business as good in spite of dust and drought. Oil activity and an excellent wheat crop are partly responsible for the increased business activity.

Hutchinson also reported a 38.0 per cent increase in credit sales, the greatest increase of all of the cities re-

Highlights for March

- 73 Cities reporting.
- 21,744 Retail stores represented.
- COLLECTIONS**
- 56 Cities reported increases.
- 5.1% Was the average increase for all cities.
- 50.0% Was the greatest increase (Hattiesburg, Miss.).
- 6 Cities reported no change.
- 11 Cities reported decreases.
- 10.0% Was the greatest decrease (Charleston, S. C., and Helena, Mont.).

CREDIT SALES

- 50 Cities reported increases.
- 3.9% Was the average increase for all cities.
- 38.0% Was the greatest increase (Hutchinson, Kan.).
- 7 Cities reported no change.
- 16 Cities reported decreases.
- 25.0% Was the greatest decrease (Topeka, Kansas).

and 3.5 per cent respectively. . . . Manchester, N. H., reports that textile and shoe manufacturing have held steady although considerable uncertainty in the textile future prevails.

Southern competition and cotton processing tax, under the NRA and AAA programs, with ruinous foreign import increases are creating a depressing condition in tex-

Month-by-Month Comparison -- March, 1935 vs. February, 1935

	Collections				Credit Sales			
	March, 1935		February, 1935		March, 1935		February, 1935	
	Cities	Per Cent of Total	Cities	Per Cent of Total	Cities	Per Cent of Total	Cities	Per Cent of Total
Good	33	45.2	38	50.1	27	37.0	35	46.1
Fair	36	49.3	34	44.7	43	58.9	31	40.8
Slow	4	5.5	4	5.2	3	4.1	10	13.1
Total	73	100.0	76	100.0	73	100.0	76	100.0
Increase	56	76.7	65	85.7	50	68.5	60	79.1
Decrease	11	15.1	7	9.1	16	21.9	11	14.4
No change	6	8.2	4	5.2	7	9.6	5	6.5
Total	73	100.0	76	100.0	73	100.0	76	100.0

porting. . . . At the same time, Topeka, Kan., reported a decrease of 25 per cent in credit sales, due to late Easter demand. . . . St. Louis reports collections, for the fifteenth consecutive month, showing an upward trend. Credit sales have continued satisfactory; however, in some consumer lines a slight falling off has been noted. Taking all factors into consideration, retail business is increasing and in a very healthy condition.

Collections, as well as credit sales, were good during March in the mid-western area which includes Ohio, Michigan, Indiana and Illinois—the average increase being 7.6 per cent for collections and 7.9 per cent for credit sales. . . . Mount Clemens, Mich., reported an increase of 25 per cent in collections, the greatest increase reported for this area. Volume of collections was heavy; however, only small amounts were paid on outstanding obligations. Credit sales in Mount Clemens continued to increase in many lines—such as automobiles and furniture—due to increased ability to buy. Luxury lines such as jewelry, have not increased as fast as necessities.

Collections and credit sales were only fair in the South Dakota, Nebraska, Minnesota and Iowa section. Cedar Rapids, Ia., reported a decrease of 14 per cent in credit sales due to delayed Easter buying (as well as increased

buying during March, 1934, when a sales tax became effective on April 1, 1934).

Collections and credit sales were fair in the southwest region, which includes Texas, Oklahoma, and New Mexico. While several cities reported decreases in collections, general opinion was that they were satisfactory. . . . Oklahoma City reported that several retail firms showed a nominal increase over March, 1934, while others reported general business at its lowest point, during March, since the first of the year.

In the Wyoming, Utah and Colorado division collections were fair—credit sales good, with an average increase of 7.8 per cent. . . . Denver reported general business conditions improving in the mining section. This is being reflected favorably throughout the state, with the exception of the eastern "dry land" section. . . . Casper, Wyoming, reported collections slow due to a decided decrease in employment. Credit sales were decidedly spotty, some firms showing a decided increase while others a marked decrease. Women's apparel and shoe lines suffered particularly due to stormy weather the last two weeks in March (and the late Easter). . . . Greeley, Colo., reports continued drought in their sec-

(Continued on page 32.)

Comparative Reports - - By Cities - - March, 1935 vs. March, 1934

District and City	Collections	Increase or Decrease	Credit Sales	Increase or Decrease
1. Augusta, Me.	Fair	+10.0	Good	+15.0
Lewiston, Me.	Fair	+ 0.5	Fair	+ 0.5
Worcester, Mass.	Fair	+ . . .	Fair	+ . . .
Manchester, N. H.	Fair	+ 5.0	Fair	No change
Providence, R. I.	Fair	- 1.0	Fair	+ 2.0
<i>Average</i>	<i>Fair</i>	<i>+ 2.9</i>	<i>Fair</i>	<i>+ 3.5</i>
2. Camden, N. J.	Good	+ 6.0	Good	+ 2.0
Newark, N. J.	Good	+ 2.0	Fair	+ 1.5
Rochester, N. Y.	Fair	No change	Good	+ 3.0
Syracuse, N. Y.	Fair	+ 8.0	Good	+ 5.0
Utica, N. Y.	Fair	+ 1.0	Fair	+ 2.5
Erie, Penna.	Good	+ 1.0	Fair	- 7.0
Pittsburgh, Penna.	Fair	+ 2.0	Fair	+ 3.0
Reading, Penna.	Fair	+ . . .	Fair	+ . . .
<i>Average</i>	<i>Fair</i>	<i>+ 2.5</i>	<i>Fair</i>	<i>+ 1.2</i>
3. Washington, D. C.	Good	+ 3.4	Good	+12.3
Charlotte, N. C.	Good	+ 3.0	Good	+ 2.1
Greensboro, N. C.	Good	+20.0	Good	+15.0
<i>Average</i>	<i>Good</i>	<i>+ 8.8</i>	<i>Good</i>	<i>+ 9.8</i>
4. Birmingham, Ala.	Good	+ 6.0	Fair	+ 5.4
Jacksonville, Fla.	Fair	+10.0	Fair	+ 8.0
New Orleans, La.	Good	+ 5.0	Good	- 1.0
Shreveport, La.	Good	+ 6.7	Good	+17.6
Hattiesburg, Miss.	Fair	+50.0	Fair	+25.0
Charleston, S. C.	Slow	-10.0	Fair	+ 5.0
<i>Average</i>	<i>Good</i>	<i>+11.3</i>	<i>Fair</i>	<i>+10.0</i>
5. Fort Smith, Ark.	Good	+ 0.1	Fair	+ 0.1
Little Rock, Ark.	Fair	- 0.5	Fair	-10.0
Emporia, Kans.	Slow	No change	Fair	+ . . .
Hutchinson, Kans.	Good	+21.0	Good	+38.0
Topeka, Kans.	Fair	+ 5.5	Fair	-25.0
Henderson, Ky.	Fair	+ . . .	Good	+ . . .
Paducah, Ky.	Good	+ 8.0	Good	+ 8.0
Kansas City, Mo.	Good	- 1.5	Fair	- 6.0
St. Louis, Mo.	Good	+ 0.6	Fair	No change
Nashville, Tenn.	Good	+ 4.5	Slow	- 1.8
<i>Average</i>	<i>Good</i>	<i>+ 3.7</i>	<i>Fair</i>	<i>+ 0.3</i>
6. Peoria, Ill.	Good	+ 5.3	Good	+ . . .
Evansville, Ind.	Good	+ 8.3	Good	+ 9.4
Muncie, Ind.	Fair	+ 5.0	Fair	+ 8.0
Bay City, Mich.	Fair	+ 1.0	Fair	+ 1.0
Detroit, Mich.	Good	+12.3	Good	+20.3
Grand Rapids, Mich.	Good	+ 5.0	Good	+ 8.0

District and City	Collections	Increase or Decrease	Credit Sales	Increase or Decrease
Mt. Clemens, Mich.	Good	+25.0	Good	+10.0
Cincinnati, Ohio	Fair	+ 3.5	Fair	- 8.2
Dayton, Ohio	Good	+ 9.2	Good	+ 6.7
Springfield, Ohio	Fair	+ 4.5	Good	+24.3
Toledo, Ohio	Good	+ 4.0	Good	+ 8.0
<i>Average</i>	<i>Good</i>	<i>+ 7.6</i>	<i>Good</i>	<i>+ 7.9</i>
7. Cedar Rapids, Ia.	Fair	- 4.0	Slow	-14.0
Davenport, Ia.	Good	- 1.4	Good	+ 9.0
St. Paul, Minn.	Fair	- 3.0	Fair	. . .
Omaha, Neb.	Fair	+ 3.0	Fair	+ 6.0
Huron, S. D.	Fair	+ 5.0	Fair	+10.0
<i>Average</i>	<i>Fair</i>	<i>- 0.1</i>	<i>Fair</i>	<i>+ 2.5</i>
8. Carlsbad, N. M.	Good	+10.0	Good	+10.0
Roswell, N. M.	Good	+20.0	Fair	+10.0
Muskogee, Okla.	Fair	+11.6	Fair	-11.6
Oklahoma City, Okla.	Fair	+ 3.5	Fair	+ 1.0
Amarillo, Texas	Good	+10.0	Good	+ 7.0
Austin, Texas	Fair	- 1.8	Fair	- 2.1
Fort Worth, Texas	Fair	+ 7.6	Fair	+ 2.4
Houston, Texas	Fair	+ 2.8	Fair	- 3.8
Port Arthur, Texas	Fair	+11.3	Slow	- 6.7
San Antonio, Texas	Good	- 2.0	Fair	- 8.0
<i>Average</i>	<i>Fair</i>	<i>+ 7.3</i>	<i>Fair</i>	<i>- 0.2</i>
9. Denver, Colo.	Good	+ 2.5	Good	+ 5.0
Greeley, Colo.	Fair	+ 2.0	Fair	+ 7.0
Salt Lake City, Utah	Good	No change	Good	+ 2.0
Casper, Wyo.	Slow	- 5.0	Fair	No change
Cheyenne, Wyo.	Fair	+ 0.5	Good	+25.0
<i>Average</i>	<i>Fair</i>	<i>. . .</i>	<i>Good</i>	<i>+ 7.8</i>
10. Idaho Falls, Idaho	Fair	+10.0	Fair	+25.0
Lewiston, Idaho	Fair	No change	Fair	No change
Helena, Mont.	Slow	-10.0	Fair	. . .
<i>Average</i>	<i>Fair</i>	<i>. . .</i>	<i>Fair</i>	<i>+ 8.3</i>
11. Los Angeles, Cal.	Fair	+ 2.4
San Francisco, Cal.	Good	+ 0.2	Good	- 7.0
Santa Barbara, Cal.	Fair	No change	Fair	- 5.0
<i>Average</i>	<i>Fair</i>	<i>+ 0.8</i>	<i>Fair</i>	<i>- 6.0</i>
12. Victoria, B. C.	Good	No change	Fair	- 5.0
Winnipeg, Man.	Fair	+ 7.0	Fair	+ 3.0
St. Catharines, Ont.	Good	+32.5	Fair	+15.0
Windsor, Ont.	Good	+ 7.0	Fair	+ 6.5
<i>Average</i>	<i>Good</i>	<i>+11.6</i>	<i>Fair</i>	<i>+ 4.9</i>



What the Boss - - If He Were Credit Man - - Should Know

By CLARENCE F. SMITH

Credit Manager, Bloch-Daneman Co. (Furniture), Milwaukee, Wis.

ACCORDING to the program, I was scheduled to talk on the subject, "What the Boss Ought to Know." Did you really think I would do that? Did you ever hear of a credit man who had the nerve to even tell *one boss* what he ought to know and get away with it? I don't believe you did, and I don't want to be the first one to try it on a *whole room full of bosses*, just to see what will happen!

So, I am going to take the liberty to change the subject to "What the Boss, If He Were the Credit Man, Should Know."

I am not going to theorize on the three C's of credit which you all know are capital, capacity and character. You can read all about theory in any textbook. I am, however, going to try and give you a few practical "whats" that you can use every day in your business, in the passing of credits. I am going to mention just a few which I believe to be the most important and will call your attention to but five of them:

(1) General Conditions; (2) Prospective Customers; (3) Collections; (4) Sales Promotion; (5) Buying.

1. General Conditions

The boss if he were the credit man, should know the general conditions in his own state. He should know that during the present session of our legislature anything is liable to happen—that possibly bills will be introduced changing some of the laws relative to his business. He should be familiar with any bill introduced—which affects credit—and should know when it comes up for a hearing before the committee and how to aid or defeat its passage.

He should know that there is a state organization of credit men—with members from every locality in Wisconsin—affiliated with the National Retail Credit Association. This organization is formed for the purpose of looking after retail credit business, and representation can be had from all over the state pertaining to any bills that may come up.

Right now, three bills are being presented which affect the furniture business. One bill reduces the filing fee of mortgages and conditional sales contracts. Another bill makes it impossible to sell on an "add-to" contract. The third bill changes conditions in the garnishee law.

And the boss, if he were the credit man, should know that nearly 90 per cent of the credit business in furniture stores comes from the laboring man, the man who works for wages.

Taking 1929 as a basis, he should realize that this working man received only 62 per cent of his 1929 wages

and he should know what that amount is, in dollars and cents, in his own city. At the present time the average weekly factory wage in Milwaukee is \$21.16 and in Wisconsin, \$19.23. He should know what industries are working in his city—whether or not they are working full or part time—which, if any, are having labor trouble—and whether or not they run steadily throughout the year.

He should know how much money it takes for a working man and his wife to live and still have a little left over for buying, and approximately what it costs for each additional child in the family. He should know how to get full information regarding that working man—his hourly or weekly wage—how many hours he works—what reputation he bears in his own neighborhood—and how many obligations he may have to pay at the present time.

He should know that this information can be received in detail, accurate and reliable, through the credit bureau in his own city or, through the state organization, on customers in other cities.

These things are not little things! They are very important, for it is the knowledge of these things that makes it possible for the credit man to determine whether or not the customer will be able to carry out the obligations he may wish to make.

2. Prospective Customers

The boss, if he were a credit man, should be a student of human nature, for people of all walks of life are coming into his store and asking for credit. These people are engaged in many different lines: Teachers, professional men, clerks, carpenters, machinists, truck drivers, painters, etc.

Editor's Note:

This article, condensed from an address before the recent convention of the Wisconsin Retail Furniture Dealers Association, contains much of interest to all installment credit granters as well as furniture dealers.

If he knows generally about each of these classes, he will be able to determine their *possible earning power* and their *paying habits*. Most trades have a regular hourly scale and most people of given occupation have a paying habit record. If he knows these things he can

determine what it is possible for them to pay and suggest terms which they should be able to meet.

3. How to Collect

This is a problem all by itself. Hours could be spent in discussing it. I am not going to dwell on it other than mention two general methods to follow. One is collecting by letters and the other, collecting by personal contact. Either or both are good but I will not go into their merits in detail.

If you are to do your collecting by mail, you should install a series of follow-up letters in accordance with the policy of your store. That system should be strictly carried out, for collecting depends largely on a regular weekly, semimonthly or monthly follow-up.

The personal contact plan, and by the way, that is the one we are using at the present time, means just what it says, collecting by personal contact with the debtor, or as it is sometimes called, by collectors.

If your contact man is properly trained, I believe there are many advantages in this method over collecting by mail, especially at the present time.

4. Sales Promotion

Your credit department can do a great deal in the promotion of sales. In most cases, your letters or collectors are the only personal touch you have with the customer from the time the account is opened until he pays his last cent, or as long as he has a credit account at your store.

The manner in which your letters are written or the way which the collector makes his contact will determine the good will of your customer and the extent of his future patronage.

One of the best ways to promote sales is to put little advertising inserts in with your statements or letters to good customers. Another good plan is to watch your accounts and, when the customer's balance is small, have the credit department send the customer a circular or call his attention to some particular sale which way be in progress. Many an "add-to" sale can be secured in this manner.

Another plan is to have someone talk to the customer when he makes his last payment and that one should be *the boss, if he is the credit man*; otherwise, the credit man himself.

Customers like to know that you appreciate their business, that you want their future patronage, and a word of praise for the manner in which they paid their accounts or a pat on the back at this time may produce a sale or furnish a lead for one at some future date.

Never let customers leave your store without as much as a "Thank You." You should have them leave with a lasting impression of good will if you want their future business.

5. Buying

Your credit department buys more in tangible assets than all the buyers of your store combined. That is a broad statement but I hope to prove it to you. Just take a look at your accounts receivable, and you will see what your credit department bought for you.

Just to show you how this is done: A salesman, an expert in his line, does all he can to please and satisfy the customer. He shows the merchandise—explains its merits—creates a desire of possession. The customer

says, "I will take it. Can I get it on time?" The salesman answers, "Certainly."

The order is written—the customer is taken to the office for terms—and introduced to the credit man. Here the credit man comes into the picture as a *buyer* and I want to say to you right now that your credit man must be just as good as your salesman. He must be just as pleasing, just as much of an expert. Yes, I believe, he must be even more so.

From this time on, the customer ceases to be the buyer and becomes the salesman. Here is where he must sell himself, his ability to pay, his credit. Here is where your credit man, as a buyer of credit, must find out the value of the credit which the customer has to sell, not from what the customer offers of his own free will, but from the manner in which he can tactfully secure sufficient information to sum up the value of that customer's credit.

Here is where your credit man, *the buyer of credit*, must purchase that ability to pay, that customer's credit, on terms which are satisfactory to his house and which, *without any reasonable doubt*, will be met.

Here, right here, the credit man determines whether or not a sale is made for you, and whether your store has a chance to make a profit, or whether the customer is lost to you and your competitor gets his business.

If your credit man knows some of the things I have mentioned before, he will be able to buy credit wisely. If he does not know these things he may still buy for you, *but buy at a loss*. You call this point the closing of the sale, *I call it the beginning of an account*, the buying of credit.

And you, *the boss*, should know that this buying by the credit man, *this buying of credit*, is the most vital point—from the time your advertisement goes to press to the time you balance your books at the end of the year and declare a profit or a loss.

» » »

Inactive Account Stickers

For use on statements showing no purchases during that month. Printed in one color (maroon) on white gummed paper.

Price, \$2.00 per 1,000. Order from your credit bureau or the National Office.

Your Account Is Balanced!

This is just a reminder that we missed you last month.

Use Your
Charge Account!

© 1934, N. B. C. A.

You Don't Owe Us a Cent!

Yes! We've noticed it and we hope you will use your charge account this month.

Your Patronage
Is Appreciated!

© 1934, N. B. C. A.

We Missed You Last Month!

Anything wrong? If so, please give us a chance to correct it.

We Value
Your Patronage!

© 1934, N. B. C. A.

CREDIT DEPARTMENT LETTERS

[[A New Department - - Devoted to Credit Sales Department]]
[[Correspondence - - Conducted by Daniel J. Hannefin]]

THIS month, let's discuss the various phases of new accounts, from the account-solicitation letter, through acceptance or rejection, to the first collection letter. Four excellent letters, successfully used by members, are reproduced on the opposite page.

Four successive steps mark the successful procedure for handling new accounts: First, account-solicitation; second, cordial acceptance; third, diplomatic rejection; fourth, *and most important*, "quick pick-up" in collections.

1. New Account Solicitation

New accounts should be solicited only in a methodical manner, under a definite, long-range plan. Any such plan should contemplate continuous solicitation, for new customers always will be needed to take care of the natural, gradual loss of customers and, at the same time, provide for that constant growth so necessary if the store is to prosper.

Lists should be "hand-picked," should be checked frequently for "moves," deaths, etc., and, if at all possible, credit ratings should be checked *beforehand*. That eliminates the "sting" of turn-downs. Letters should be friendly and *inviting* in tone. (See the May Company letter (Figure 1) on next page.

2. Cordial Acceptance

Once you've decided to open an account, that credit applicant becomes your customer and should be welcomed as such. (This is where you earn your title of "Manager of Credit Sales.") There are two important reasons for sending a letter of acceptance to every new charge customer:

First, it gives you an opportunity to tie that customer a little closer to the store—to make her feel that she is actually welcome and appreciated. Second, it is the first link in a long chain, which if properly welded, will educate the new customer in a proper understanding of the "whys and wherefores" of credit terms.

For this letter should state, clearly yet courteously and unobtrusively, the manner in which you expect the account to be paid. It is not enough to take it for granted that, just because your terms are printed in small type on your application blanks and statements, the customer is fully conversant with them. Constant repetition is necessary to make people realize that you "really mean it."

Harry Wrenn's letter (Figure 2) meets both requirements to perfection. Note the friendly

tone of the first paragraph and the frank statement of terms in the second.

3. Diplomatic Rejections

Rejection of accounts is a thorn in the side of the sales-minded credit executive. How to do it—diplomatically—and at the same time try to hold the customer's good will *and cash business*—is a problem.

Too often, a good cash customer, lured by a seductive advertisement or solicitation letter, has been lost to the store forever by a cold "turn-down," lacking in courtesy and understanding. That's one of the reasons why, at the outset in this article, you were told that prospect lists should be "hand-picked."

In the past eight years, I have wrestled with this problem—have collected "rejection letters" from all parts of the United States—and I want to say, without hesitancy and with the utmost admiration, that the letter used by James Wilson, Credit Manager of Denholm & McKay Company (Figure 3), is the best I have ever found for the purpose.

4. Prompt Collections

Prompt collections, on new accounts, should begin with the first statement. *It should not be mailed with the regular statements.* Rather, it should be accompanied by a short, friendly note: "Sending you our first statement gives us an opportunity to express our appreciation for your patronage. In accordance with our terms, this is payable not later than the tenth. No need to make a special trip to the store. Just put your check in the enclosed envelope and drop it in the mail. Thank You!"

Then, if the account isn't paid on the due date, don't wait for a month, as so many stores do. That only encourages the customer to take more time. (Why should the customer worry about "prompt payment" or take it seriously, if you don't?)

Frank Batty, in sending us his letter (Figure 4) says: "This is one of the most successful methods we have in educating new customers to comply with our terms."

Note: If the new customer only sends a partial payment, the *underscored lines* are changed to read: "only a partial payment has reached us instead of settlement in full as agreed; this necessitates carrying over a balance to the following month, which is contrary to our agreement."

Readers of this page are invited to write in their comments, criticisms, questions or suggestions.

The May Company
Cleveland

Office of
The Credit Manager

Feb. 13, 1935

Mr. John Jones,
13245 Euclid Avenue,
Cleveland, Ohio.

Dear Mr. Jones:

A charge account at The May Company simplifies shopping amazingly. You make your purchase, say "charge it" and eliminate many of the little bothersome duties of shopping.

There is no waiting for change, no need to carry large sums of money to pay for each purchase, no C.O.D. bother on telephone orders.

And a charge account is like a bank account. It establishes your credit in the community -- it stands as a ready reference.

It simplifies budget keeping. Instead of trying to remember to write down each little purchase, you get an itemized statement at the end of every month showing each purchase.

You are cordially invited to apply for charge privileges. Simply fill in and return the enclosed form. It will receive our immediate consideration.

Sincerely,

THE MAY COMPANY

G. C. Driver,
Credit Manager.

Nebraska Clothing Co.
OMAHA

②

We are indeed pleased to add your name to our list of valued charge customers. In placing the facilities of our entire organization at your disposal we feel we are opening the way for an association that will prove mutually beneficial.

Statements of account are mailed the latter part of the month and are due and payable on or before the 15th of the following month.

We thank you for the opportunity of serving you and trust our association will prove a continued pleasure.

Very truly yours,

NEBRASKA CLOTHING COMPANY

H. W. Mann
Credit Manager.

H.W.-AM

Application made by

NEW YORK
SECTION 230
13 FEBRUARY 1935

PARIS 17 RUE L. COMBES



Dr. J. H. & Mr. J. H. Co.
BANKERS & TRUSTEES
WORCESTER, MASS.

MEMBER OF
WORCESTER ASSOCIATION OF
CREDIT MEN
NATIONAL ASSOCIATION OF
CREDIT MEN

MEMBER OF
ASSOCIATED RETAIL CREDIT MEN
OF WORCESTER
NATIONAL ASSOCIATION OF RETAIL
CREDIT MEN

③

Your application for a charge account with our store is a compliment to our efforts to give good value and good service, and we sincerely thank you for the preference shown.

As is the usual custom before a new account is opened we have striven to acquire information that would serve as a basis for credit. Such information as we have thus far obtained does not permit us to form a definite conclusion, and for the present, therefore, we are not warranted in opening the account.

We realize that misunderstandings sometimes occur through trifling matters, which, if particulars were known, would have little or no bearing in the consideration of one's credit standing, and if you feel that our action is not warranted, we shall be glad to have you call so that a better understanding can be arrived at.

Please feel and appreciate that we are anxious to serve you, and since credit is a convenience and not a necessity your enjoyment of our merchandise and service need not be discontinued.

Yours very truly,

DR. J. H. & MR. J. H. COMPANY

J. H. Co.
Credit Manager

JW/REV

HALE BROS.

MARKET STREET AT FIFTH
SAN FRANCISCO, CALIFORNIA

④

Recently we had the pleasure of opening a charge account for your convenience.

When the account was opened it was explained that our terms provide that payment for bills rendered on the first of the month should be made in full by the tenth. It may be possible that you did not understand this arrangement, since we learn that payment for your first purchases apparently has not yet reached us.

We thank you for the opportunity of serving you and ask for your co-operation in making payment as agreed.

Cordially,
HALE BROS.

FB:WB

Credit Sales Dept.

Training Youth in the Value of Credit and Prompt Payment

By VICTOR P. CHAMBERLAIN

Credit Manager, Boyd Transfer & Storage Co., Minneapolis, Minn.

OUR CREDIT WORLD, through the successive months of 1934, carried a consolidated tabulation of collection percentages of the principal cities. You probably noticed that Minneapolis held an enviably high record. I, for one, don't think this just happened. I

Editor's Note:

This article was condensed from an address delivered before the First Annual Convention of the Sixth District of the National Retail Credit Association—St. Paul, Minn., February 18, 19, 1935.

think Minneapolis' position of leadership in this field can be traced to causes pretty well defined.

As an observer—for I cannot claim any part in this record—I like to attribute it to three causes: First, a happy cooperation of the credit managers of our large stores; second, an efficient Credit Exchange; third, and *most important*, a progressive, forward-looking attitude on the part of the leaders in our Credit Association.

What has this to do with my subject? Just this: this innovation which I am about to describe didn't just happen; somebody conceived the idea and pushed it ahead and saw to it that it became the leading forward movement in our Association this year. And the credit for this forward movement belongs to Mr. Henry Hoklas, Credit Manager of Young-Quinlan Company of Minneapolis.

Early last spring he, in conversation with Miss Prudence Cutright, assistant superintendent of our public schools, suggested that our story, "It Pays to Build Up a Good Credit Rating," might fit in with other topics being taken up by the pupils in their course on Civic Life Problems. Miss Cutright promptly assented and said something could be worked out.

During the summer months an informative talk was prepared, suitable for Junior High pupils, with the idea that key persons in our association would go out and deliver it to the various classes in our thirteen Junior High schools.

In a conference with Mr. C. C. Minty, to whom the supervision of this course in Civic Life Problems was assigned, Mr. Hoklas, Mr. Gilfillan, Mr. Cornelison, our president, and myself, we arrived at a plan which was approved by the Board of Directors of our Association.

There are thirteen Junior High schools in Minneapolis. In the 9B grade, the subject of Civic Life Problems, a rather modern subject taking the place of the Civics course of other high school days, acquaints the scholars with the problems of a civilized people (like ourselves) organizing itself to continue. The thought

in mind was that credit is the basis of our modern life; why not make the student familiar with the principles on which credit is granted?

These students meeting in groups of forty or fifty have a number of topics to cover in the year. The plan hit on in our conference was this: two key persons from each class were to be excused from their classes of an afternoon. They were to report to the offices of the Minneapolis Credit Exchange where a large spare office with chairs would be prepared for their reception.

There, in a thirty-minute lecture, S. L. Gilfillan, the Exchange Secretary, tells them of the origin of credit,

Historical Setting to Modern Retail Credits

There are five divisions of credit:

1. **Banking**, which has to do with issuing and lending money.
2. **Public**, which is that credit brought into use, for instance, by nations in carrying on a great war or in acquiring additional territory.
3. **Capital**, which is that credit brought into use as in the purchase of capital stock of corporations.
4. **Commercial**, which is that credit brought into use when wholesalers sell to retailers.
5. **Individual**, is the oldest form of credit, is the most basic, as it depends less on what a person owns and more on his Capacity and Character.

History points out, that, with the dawn of civilization, man concerned himself solely with only three primary wants: food, shelter and clothing. Each head of a family supplied these wants by his own ingenuity. With his own bow, he brought in the deer for food. His women folks fashioned the skins into clothing. With his own hands he built himself a hut. He had no need for money much less credit.

Tribe preservation forced families into communes. With the development of the commune, Trade and Barter followed. Men soon learned that they could do better by devoting their talents to pursuits in which they were especially proficient, and exchanged these products for those produced by others; e.g. this man is remarkably skilled in the hunt,—can bring to the village in a day's hunt several deer while his neighbor brings

the need of credit; then the story of credit from the time of the first credit man, the crossroads country store merchant who knew in his head the bill-paying habits of all

who applied to him; up to the development of the modern credit structure handling thirty billions annually where the credit man seldom sees his customer and where he must depend on reports, files, secretaries and scientific handling of accounts to protect the owners' property.

He goes into the "3-C" method of analyzing reports and ends with a story of the "Yellow Book," the retail credit guide of Minneapolis. The "Yellow Book" is known by all as a potentially powerful volume, the secrets of which are of great interest to the students.

Mr. Gilfillan, being introduced as the Dean of Credit Men in the country, makes quite an impression. He emphasizes the fact that a credit rating, unlike almost everything else in the world, can be had for nothing. "Keep your promise with your creditor and you can have a good rating," so the Dean urges them.

The latter end of the half-hour period is used in a tour of the Exchange offices with key girls giving information. As the pupils leave the building each pair is supplied with a bundle of pamphlets, furnished by the Association (a printed résumé of Mr. Gilfillan's talk). On the following day when these pupils retell, before their classes, what they have learned, the pamphlets are given to the pupils. With the key persons, the classes, and the parents at home reading the pamphlets, we hope to reach 20,000 people with our story.

(Note: The first page of the four-page pamphlet mentioned above is reproduced with this article. The following subheads give a good idea of the contents of the other pages: Purposes of Leaflet; Beginnings of Retail Credit; How It Works Today; Character; Capacity; Capital; The Credit Bureau; Final Word. Actual size of pamphlet, 3 $\frac{3}{4}$ " x 8 $\frac{1}{4}$ ".)

What Minneapolis has done this year, similar associations in other cities can do. Contact your school board. Get into the Junior High with your story.

In this age of building up community consciousness, of intelligent dissemination of information, who can say but that a decided increase in the number of people growing up in this generation will date the beginning of their good credit back to the day when in Junior High they learned the importance of paying their bills promptly and the ease with which a good credit rating can be built, and maintained?

» » »

Consumer Debt Study Available

The Bureau of Foreign and Domestic Commerce under the direction of H. T. LaCrosse, recently completed an analysis entitled "Consumer Debt Study" which will be of interest to every retail credit executive. The data collected and analyzed in the report are based on a small sample; however, it is believed that they have sufficient significance to justify their publication. The report presents a few selected facts on the extent to which consumers' accounts with retailers and professional men are long overdue. It also discusses the variations which may be due to differences in credit methods employed. The study is available from the Bureau of Foreign and Domestic Commerce, Washington, D. C., price ten cents.

» » »

Twenty-Second Annual Convention, National Retail Credit Association, Hotel Seneca, Rochester, N. Y., June 18-21, 1935. Plan now to attend.

APRIL, 1935

How to Make A Good Record for collecting Slow Accounts

Tell Delinquents Where They Can Get the Money to Pay You!

● When credit managers press debtors for payment the families frequently come to us. This is indicated by the fact that about 80% of the 300,000 loans we made last year were for the purpose of paying bills that were due or past due. These debtors wished to turn a number of harassing obligations into one *budgeted* obligation.

When we make a loan to a family for the purpose of paying accumulated bills, we instruct husband and wife in economical household management, provide them with a scientific budget chart, teach them "Better Buymanship." We can sometimes show a family how to get 20% more value out of the dollars they spend. This has the effect of a 20% salary increase in many cases.

A family with an income of \$130 per month that borrows \$160, pays back to us in principal and interest only about 10% of its monthly income. Thus, one *budgeted* obligation to us is often paid out of the money saved by the better management we have taught them.

Constructive financial aid such as this is something you can readily recommend to delinquents. By telling debtors where to get the money to pay you, instead of simply dunning them, you make a friend for your firm, instead of an enemy.

Try it this month. See for yourself how easily you can make a good record for collecting slow accounts.

A booklet explaining the Household Plan will be sent you on request—a number of them, if you wish, to pass on to individuals who, in your opinion, will be benefited by a Household Loan.

171 OFFICES IN 114 CITIES IN 15 STATES

ILLINOIS	MASSACHUSETTS	NEW YORK
INDIANA	MICHIGAN	OHIO
KENTUCKY	MISSOURI	PENNSYLVANIA
IOWA	NEBRASKA	RHODE ISLAND
MARYLAND	NEW JERSEY	WISCONSIN

HOUSEHOLD FINANCE CORPORATION

AND SUBSIDIARIES—57th Year of Service

Headquarters: 919 North Michigan Avenue

ABOUT THE COST. Efficiencies never can reduce retail prices to the level of wholesale prices—of either merchandise or money. However, when methods are devised which permit "retailing" money to husbands and wives on their signatures only, at rates lower than the 2 $\frac{1}{2}$ % to 3 $\frac{1}{2}$ % a month now charged on unpaid balances, Household will be found using those methods.

Comparative Collection Percentages-Feb

DISTRICT AND CITY	DEPARTMENT STORES (Open Accounts)						DEPARTMENT STORES (Installment Accounts)						WOMEN'S SPECIALTY STORES						FURNITURE STORES (Installment Accounts)						JEWELRY			
	1935			1934			1935			1934			1935			1934			1935			1934			1935			
	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	
1 Boston, Mass. Providence, R. I. Hartford, Conn. Springfield, Mass.	46.6	61.4	38.7	43.5	60.4	37.6	15.6	19.0	14.5	16.2	16.9	13.8	46.4	70.1	33.7	44.0	64.4	26.8	—	14.2	—	—	11.7	—	—	54.0	64.0	52.0
	42.7	53.6	39.0	40.6	52.0	39.8	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	47.9	53.6	44.5	46.3	51.9	43.4	18.8	26.1	13.7	15.2	19.2	11.6	45.8	50.0	38.0	41.8	49.9	30.3	—	—	—	—	—	—	—	14.0	—	—
2 New York City Pittsburgh, Pa. Syracuse, N. Y. Utica, N. Y.	44.4	58.8	37.0	44.8	54.1	35.0	16.3	19.2	12.0	15.8	20.0	9.0	40.4	47.0	32.5	42.4	47.7	35.3	—	23.4	—	—	—	—	—	—	—	—
	41.4	47.2	34.6	38.9	46.8	33.1	17.6	21.6	13.2	17.7	21.8	12.9	41.2	48.3	34.6	40.3	54.7	29.5	—	—	—	—	—	—	—	42.0	43.0	42.1
	34.5	40.9	30.9	29.6	32.8	24.1	18.1	19.5	17.2	17.6	22.1	16.4	—	40.1	—	—	39.6	—	—	13.9	—	—	11.8	—	—	—	—	—
	38.4	39.2	37.9	40.0	50.5	38.2	—	—	—	—	—	—	46.0	61.0	42.2	44.3	50.5	36.6	10.8	12.1	8.8	10.6	11.8	8.4	—	—	—	
3 Washington, D. C. Huntington, W. Va. Baltimore, Md.	24.0	48.1	30.6	34.1	45.5	27.9	11.4	13.2	6.0	11.1	12.9	7.5	—	39.6	—	—	37.9	—	—	—	—	—	—	—	—	—	—	—
	48.5	50.4	46.7	34.3	44.6	39.5	—	9.7	—	—	7.7	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	38.3	44.9	38.3	36.4	44.3	29.1	13.8	22.7	7.2	14.4	23.0	7.3	40.0	41.3	34.4	32.9	38.2	28.6	—	—	—	—	—	—	—	—	—	
4 Birmingham, Ala. New Orleans, La. Atlanta, Ga.	40.4	42.9	36.5	37.2	39.8	32.3	17.8	24.1	13.5	15.1	21.3	10.8	45.3	47.3	43.4	49.9	51.6	48.1	11.1	13.0	8.9	10.3	13.1	7.4	21.2	—	—	
	41.8	48.0	40.0	42.5	47.7	39.7	15.8	18.9	12.4	17.2	21.1	14.1	42.5	53.0	32.0	37.2	33.4	31.0	—	—	—	—	—	—	—	—	—	
	34.9	37.3	32.5	31.6	34.1	29.0	12.7	15.4	10.0	13.2	17.3	9.0	37.4	38.5	36.2	36.3	36.4	36.2	10.8	11.6	10.0	11.1	11.6	10.5	27.0	27.0	22.5	
5 Kansas City, Mo. St. Louis, Mo. Little Rock, Ark.	61.6	76.2	49.0	58.8	75.5	46.0	33.5	—	—	31.3	—	—	45.9	66.5	38.4	42.9	55.0	35.4	13.4	—	—	13.6	—	—	—	—	—	
	48.9	54.5	44.2	46.0	52.3	41.1	21.1	27.4	17.6	22.1	27.8	18.5	39.8	46.0	34.4	39.8	46.6	32.7	—	—	—	—	—	—	28.0	42.0	17.0	
	36.2	40.9	31.6	33.4	40.0	29.0	11.3	12.9	10.8	14.0	16.7	11.4	—	39.5	—	—	38.2	—	12.1	13.5	10.8	11.0	11.9	10.2	—	40.9	—	
6 Cleveland, O. Cincinnati, O. Columbus, O. Toledo, O. Youngstown, O. Detroit, Mich. Grand Rapids, Mich. Milwaukee, Wis. Springfield, Ill.	43.3	50.5	38.2	34.4	39.6	31.8	18.8	23.5	13.7	17.5	20.7	12.5	38.5	40.0	34.7	32.6	41.0	29.9	9.4	9.9	7.7	8.6	8.9	7.9	34.0	51.1	32.0	
	45.7	49.5	41.5	39.7	44.3	29.9	16.1	17.8	12.5	15.3	21.2	11.5	48.1	60.6	40.0	46.6	56.3	39.0	—	—	—	—	—	—	—	46.0	62.6	36.1
	46.0	50.0	43.3	43.8	47.2	41.6	13.4	13.7	13.2	12.8	13.2	12.3	47.7	53.5	41.9	45.6	48.9	42.3	13.7	36.0	13.2	13.2	30.0	12.3	—	—	—	
	40.8	49.2	37.6	34.1	40.3	32.2	16.2	19.5	14.4	13.8	16.3	12.8	37.6	44.7	30.5	—	40.8	—	13.8	19.3	8.3	12.0	17.6	6.4	33.0	33.7	33.4	
	41.7	42.5	40.9	36.2	39.6	32.8	15.7	17.2	14.2	16.3	16.4	16.1	49.7	71.9	27.4	—	19.8	—	—	11.6	—	—	—	—	13.0	14.8	12.0	
	49.4	62.1	40.8	42.8	56.1	33.3	28.9	52.0	17.6	28.4	53.1	17.5	47.9	60.8	28.0	40.3	50.2	31.0	—	—	—	—	—	—	—	38.0	43.5	26.7
	36.7	38.6	35.3	33.7	36.2	31.7	—	—	—	—	—	—	42.1	52.0	32.0	43.4	56.5	34.2	11.5	16.0	7.4	10.8	14.8	6.7	—	—	—	
43.1	50.9	39.3	37.3	46.5	36.2	18.6	20.3	18.3	16.2	21.4	15.3	—	44.7	—	—	43.6	—	19.2	10.7	7.8	8.2	8.3	8.1	39.0	43.7	19.1		
29.5	37.9	17.2	27.3	37.5	16.0	—	—	—	—	—	—	—	28.2	29.3	27.0	25.9	26.8	25.0	18.9	22.9	13.5	19.4	24.5	14.3	29.0	32.0	25.1	
7 Duluth, Minn. St. Paul, Minn. Minneapolis, Minn. Davenport, Ia. Cedar Rapids, Ia. Sioux City, Ia. Omaha, Neb. North Platte, Neb.	49.8	53.3	42.4	44.4	48.8	35.0	20.7	26.9	15.5	20.0	26.0	16.1	40.0	69.8	34.4	35.7	67.9	35.0	—	—	—	—	—	—	—	—	25.7	—
	52.3	56.0	48.0	52.8	53.2	46.0	—	—	—	—	—	—	40.2	45.8	34.0	41.4	43.3	39.5	—	—	—	—	—	—	—	—	—	
	60.9	64.9	56.9	59.6	65.2	53.6	19.3	23.3	13.7	18.0	21.4	13.0	52.7	54.4	50.4	52.4	56.3	49.2	—	—	—	—	—	—	—	—	—	
	49.0	50.0	48.0	44.8	45.3	44.3	16.4	16.8	16.0	—	18.5	—	—	46.5	—	—	48.7	—	—	—	—	—	—	—	—	—	—	
	51.2	58.6	47.6	50.0	50.9	47.2	20.6	21.0	20.2	22.5	26.8	18.2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	38.1	52.7	36.0	46.0	60.6	33.0	16.0	35.2	11.0	17.0	54.8	12.0	—	34.0	—	—	33.0	—	—	—	—	—	—	—	—	—	—	
	45.1	50.1	40.1	41.0	44.6	37.4	—	13.3	—	—	13.6	—	42.0	47.4	37.0	39.2	43.5	36.0	—	—	—	—	—	—	—	—	—	
42.2	42.4	42.1	40.2	40.3	40.2	16.4	18.3	14.6	15.0	16.2	12.8	53.1	53.8	52.4	49.2	49.8	49.6	11.7	13.0	10.4	11.4	13.1	9.8	39.0	43.2	32.9		
8 Tulsa, Okla. Oklahoma City San Antonio, Tex.	57.6	62.3	54.0	55.0	63.4	51.2	16.0	17.1	15.0	16.8	17.0	16.7	45.6	50.5	42.9	46.7	48.1	43.7	18.0	18.5	17.6	17.4	18.4	16.4	—	—	—	
	52.6	74.0	48.0	48.6	62.0	42.9	14.6	26.5	11.0	13.7	19.3	9.9	—	47.7	—	—	43.3	—	—	—	—	—	—	—	—	—	—	
	41.6	43.5	37.9	39.0	45.6	32.1	12.7	13.2	12.1	13.7	15.5	12.2	46.4	46.5	43.0	43.6	56.0	32.1	7.9	8.0	7.7	7.7	8.0	7.5	53.1	—	—	
9 Denver, Colo. Salt Lake City, Utah Casper, Wyo.	42.0	44.2	37.9	39.5	43.4	36.6	15.3	21.5	14.4	16.8	21.5	12.2	40.7	43.5	37.9	41.1	43.4	38.9	9.9	11.0	8.9	8.7	9.8	7.8	14.4	9.7	—	
	47.5	56.7	46.2	48.1	49.6	46.8	15.1	17.0	12.8	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	—	97.0	—	—	96.8	—	—	—	—	—	—	—	—	—	25.0	—	—	25.0	—	—	—	—	—	—	—	16.5	—	
10 Portland, Ore. Spokane, Wash. Billings, Mont.	—	—	—	—	—	—	—	—	—	—	—	—	42.0	44.5	33.7	34.0	39.0	29.1	—	—	—	—	—	—	—	21.0	4.7	
	48.5	51.1	45.9	50.4	58.2	42.6	12.8	13.4	12.2	14.7	16.2	13.3	42.5	51.1	28.0	34.0	40.0	28.0	—	—	—	—	—	—	—	19.2	10.1	
	34.1	39.3	29.0	34.6	36.3	32.9	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
11 San Francisco and Oakland, Calif. } Los Angeles, Calif. Santa Barbara, Calif.	40.0	49.9	30.8	37.9	49.4	29.0	17.7	30.5	14.3	17.6	28.7	12.8	35.4	46.0	28.4	34.3	43.0	25.3	13.7	20.0	10.4	11.3	17.0	9.5	—	—	—	
	55.8	60.0	50.0	53.3	59.6	22.7	19.1	23.0	16.0	—	—	—	55.8	62.2	48.7	58.9	59.8	46.0	—	—	—	—	—	—	—	33.2	—	
	41.8	49.1	34.7	45.4	51.4	40.3	—	—	—	—	—	—	61.1	67.0	58.0	—	—	—	—	—	—	—	—	—				

¹Furriers
²Laundry

³Plumbing
⁴Lumber

⁵Paper and Paint
⁶Coal

⁷Cleaning and Dyeing
⁸Builders' Supplies

⁹Optician
¹⁰Grocery

February, 1935, Versus February, 1934

S	JEWELRY STORES						MEN'S CLOTHING STORES						SHOE STORES						AUTO ACCESSORIES, TIRES, GAS AND OIL						MISCELLANEOUS						
	1935			1934			1935			1934			1935			1934			1935			1934			1935			1934			
LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	
—	50	64.0	52.0	57.0	85.0	53.9	—	—	—	—	—	—	—	54.3	—	—	52.0	—	—	70.0	—	—	65.0	—	54.1	87.0 ¹⁵	39.0 ¹¹	47.0	69.0 ¹⁸	34.0 ¹¹	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	56.5	—	—	47.7	—	—	50.0	—	—	—	—	55.0	80.8 ²	24.0 ⁴	48.0	73.9 ²	30.0 ²	
—	14	—	—	12.3	—	—	55.0	—	—	—	—	—	52.6	—	—	48.6	—	—	79.9	—	—	57.0	—	62.3 ²	75.1 ²	47.7 ²	62.7 ²	75.0 ²	50.4 ²		
—	—	—	—	—	—	—	45.0	49.0	38.3	43.7	55.0	36.2	58.8	59.1	58.5	53.4	56.0	50.8	64.1	69.0	59.2	68.9	72.0	65.8	51.3	74.0 ²	45.0 ¹⁰	48.2	81.0 ²	39.0 ¹⁰	
—	42	43.0	42.1	50.7	58.4	42.9	—	—	—	—	—	—	54.1	61.2	47.0	45.8	55.7	36.0	—	—	—	—	—	—	55.5	75.0 ¹¹	27.8 ⁴	56.9	67.0 ¹⁰	22.9 ⁸	
8.4	—	—	—	—	—	—	41.7	52.5	31.0	35.1	44.3	26.0	—	—	—	—	—	—	—	54.0	—	—	55.9	—	48.9	58.3 ⁴	34.0 ⁶	45.7	56.8 ⁸	24.5 ⁶	
—	—	—	—	—	—	—	27.5	30.2	26.0	26.4	32.0	25.3	—	—	—	—	—	—	—	—	—	—	—	—	31.0 ¹¹	45.7 ¹¹	22.0 ¹¹	44.6 ¹¹	51.9 ¹¹	26.0 ¹¹	
—	—	—	—	—	—	—	43.0	47.5	38.5	39.2	44.7	34.7	—	49.7	—	—	44.4	—	—	—	—	—	—	—	—	—	—	—	—	—	
—	—	—	—	—	—	—	—	45.0	—	—	39.0	—	—	—	—	—	—	—	—	56.0	—	—	—	—	—	46.9	62.0 ²	30.0 ²	29.0	31.9 ⁸	22.2 ⁸
7.4	—	21.2	—	—	14.5	—	41.4	44.6	38.0	35.3	37.2	33.0	—	—	—	—	—	—	62.3	66.1	56.0	64.0	66.0	62.0	—	—	—	—	—	—	
10.5	20	27.0	22.5	25.1	27.4	22.8	—	34.1	—	—	35.4	—	—	—	—	—	—	—	—	—	—	—	—	—	61.4	24.4 ²	—	—	16.6 ¹¹	—	
—	—	—	—	—	—	—	—	—	—	—	—	—	49.0	54.7	40.6	41.9	45.0	39.9	58.5	80.3	37.7	55.5	67.8	39.4	—	—	—	—	—	—	
10.2	20	42.0	17.0	31.5	49.0	14.0	42.2	51.5	37.2	43.6	54.0	39.1	—	—	—	—	—	—	—	—	—	—	—	—	49.1 ¹²	54.8 ¹²	43.3 ¹²	46.7 ¹²	47.3 ¹²	46.1 ¹²	
—	—	40.9	—	—	40.0	—	—	21.7	—	—	16.9	—	—	40.0	—	—	—	—	60.1	75.6	47.5	61.7	71.4	39.8	36.8	59.6 ¹²	14.0 ⁸	37.0	44.0 ¹²	30.0 ⁸	
7.9	34	51.1	32.0	31.6	37.5	25.7	40.7	57.9	39.5	34.8	46.8	33.2	50.0	64.5	35.6	45.4	56.9	34.0	—	—	—	—	—	—	60.7 ⁷	65.0 ⁷	55.9 ⁷	51.5 ⁷	67.0 ⁷	46.3 ⁷	
12.3	40	62.6	36.1	44.3	65.7	33.1	43.2	45.7	40.8	37.5	38.9	36.0	54.6	61.1	48.8	50.1	59.5	32.0	—	—	—	—	—	—	59.3	76.0	22.5	57.0	80.0	29.9	
6.4	30	33.7	33.4	44.9	54.3	35.5	33.3	34.2	32.5	—	23.9	—	—	—	—	—	—	—	41.1	47.0	35.3	34.5	42.0	27.0	—	22.9	—	—	30.4	—	
—	13	14.8	12.0	—	11.5	—	42.8	65.5	20.0	—	19.0	—	—	—	—	—	—	—	—	—	—	—	—	—	36.3 ¹²	41.5 ¹²	31.0 ¹²	—	39.1 ¹²	—	
—	30	43.5	26.7	47.7	54.7	40.7	51.5	60.0	43.1	49.8	50.0	49.6	53.7	58.3	48.1	45.8	51.5	40.2	—	—	—	—	—	—	21.0	26.0 ¹²	16.1 ¹²	16.8	20.3 ¹²	13.4 ¹²	
6.7	—	—	—	—	—	—	51.3	71.0	43.5	50.3	81.0	30.0	—	—	—	—	—	—	66.7	83.5	37.7	46.6	54.0	34.4	56.5 ²	80.0 ²	41.0 ²	56.4 ²	81.0 ²	33.0 ²	
8.1	30	43.7	19.1	28.7	39.1	18.3	44.0	48.0	40.0	42.0	46.0	38.0	45.8	55.6	36.1	42.7	52.5	33.0	—	—	—	—	—	—	—	—	—	—	—	—	
14.3	20	32.0	25.1	26.3	28.0	24.5	26.1	32.4	17.8	14.9	15.2	14.5	31.0	39.3	22.6	27.6	30.2	25.0	47.2	68.0	30.0	43.2	64.0	27.0	44.2 ²	61.0 ²	24.0 ²	51.0 ²	75.0 ²	30.0 ²	
—	—	25.7	—	—	21.6	—	—	25.0	—	—	17.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
—	—	—	—	—	—	—	32.1	51.3	36.0	40.5	47.0	37.0	—	—	—	—	—	—	—	—	—	—	—	—	—	46.0	67.0 ¹²	24.5 ¹²	37.0	54.0 ¹²	24.3 ¹²
—	—	—	—	—	—	—	—	49.1	—	—	43.7	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
—	—	—	—	—	—	—	43.6	46.3	41.0	45.9	49.8	42.0	—	56.0	—	—	59.0	—	64.7	92.0	37.5	—	35.4	—	45.6	69.0 ¹²	43.4 ¹²	43.9	53.0 ¹²	39.0 ¹²	
—	—	—	—	—	—	—	—	41.0	—	—	49.0	—	—	47.0	—	—	46.0	—	—	—	—	—	—	—	—	56.4	—	—	40.8	—	
—	—	—	—	—	—	—	—	39.2	—	—	49.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	44.0 ²	—	—	44.0 ²	—	
9.8	30	43.2	32.9	30.1	31.2	29.1	38.1	39.9	36.4	29.7	31.2	28.3	54.2	54.8	53.6	50.0	50.2	49.8	46.2	54.1	38.3	35.4	39.1	31.7	58.0	61.7 ⁸	21.4 ¹¹	33.3	56.4 ⁸	23.2 ⁸	
16.4	—	—	—	—	—	—	53.4	56.3	50.6	50.1	51.0	49.3	—	58.0	—	—	51.0	—	—	—	—	—	—	—	—	—	28.0 ¹¹	—	—	25.0 ¹¹	—
7.5	—	53.1	—	—	63.2	—	49.6	52.5	39.2	46.8	47.8	45.7	—	—	—	—	—	—	—	76.6	—	—	71.0	—	—	81.1 ¹²	—	—	80.9 ¹²	—	
—	—	—	—	—	—	—	—	41.0	—	—	34.1	—	—	51.0	—	—	56.6	—	—	—	—	—	—	—	—	—	—	—	—	—	
7.6	10	14.4	9.7	11.8	14.6	9.0	46.1	48.7	43.5	43.1	43.4	42.9	43.4	51.6	35.2	45.6	57.4	33.9	46.9	53.9	40.0	43.1	47.2	39.0	56.5	71.0 ¹²	34.9 ¹²	44.0	70.0 ¹²	35.2 ¹²	
—	—	16.5	—	—	16.5	—	26.9	29.6	24.3	27.6	28.9	26.4	40.1	61.5	35.3	—	39.8	—	—	—	—	—	—	—	—	—	—	—	—	—	
—	10	21.0	4.7	14.9	20.0	5.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
—	10	19.2	10.1	11.8	15.8	8.7	39.9	42.8	37.0	—	27.9	—	—	—	—	—	—	—	53.7	61.0	46.4	58.2	67.2	49.2	47.0	73.0 ²	17.0 ²	30.2	80.0 ²	22.0 ²	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	63.7	67.6	59.8	59.9	67.0	52.8	—	—	—	—	—	—
9.5	—	—	—	—	—	—	39.6	44.1	32.9	39.0	42.5	32.3	40.7	59.0	36.3	35.7	50.0	33.0	—	—	—	—	—	—	—	—	—	—	—	—	
—	—	33.2	—	—	—	—	51.2	55.8	47.4	50.8	56.0	40.9	52.3	60.1	47.0	—	57.7	—	—	—	—	—	—	—	—	75.0 ¹²	96.0 ¹²	54.0 ¹²	47.0 ¹²	—	
—	—	—	—	—	—	—	49.4	54.4	42.5	—	—	—	45.1	48.7	42.0	46.8	59.2	37.8	—	—	—	—	—	—	—	59.8 ¹²	68.3 ¹²	45.1 ¹²	57.4 ¹²	70.9 ¹²	47.1 ¹²
—	—	28.0	—	—	—	—	35.0	48.0	22.0	—	—	—	—	—	—	—	—	—	—	37.9	—	—	—	—	—	71.8	84.2 ¹²	40.0 ¹²	69.1	79.1 ¹²	60.1 ¹²
COMPILED BY RESEARCH DIVISION—NATIONAL RETAIL CREDIT ASSOCIATION																															

COMPILED BY RESEARCH DIVISION—NATIONAL RETAIL CREDIT ASSOCIATION

¹⁴Stationery, Office Supplies
¹⁵Florist

¹⁶Hardware
¹⁷Music

¹⁸Dairy
¹⁹Drugs

²⁰Sportswear
²¹Household Equipment

APRIL, 1935



Ships - - and Lighthouses

By R. LEO FRYE

Credit Manager, Rothschilds B. & M. Store, Oklahoma City, Okla.

WHEN I was a boy I was delighted to read stories about ships and lighthouses. I am reminded of ships and lighthouses when I think of the credit business. We can picture the ships as firms that do a credit business—some small ships and some large ones, depending upon the size of the business. All of these ships are striving to reach the harbor of profit. It is the job of the credit granter to chart the course and to steer his ship safely into that harbor.

He has many things to help him: his experience on previous voyages—the modern methods of determining location, radio communication with other vessels to learn how they are getting along, to learn the methods that they are using to get their ships of credit safely along the course and toward the same harbor of profit. Also radio communication with the coast stations to learn of conditions along the coast and to receive advice and warnings from these stations.

Then there are the lighthouses that are *always there*—day and night—to mark the spots that are dangerous. These lighthouses, and I like to think of them as the credit bureaus, are constantly sending out their signals reminding us of the fact that if we will pay attention to them, we will not get on the rocks.

In other words, if we cooperate whole-heartedly—if we take advantage of all the signals and make use of all the instruments that are ours—we should be able to bring our ship safely into the harbor of profit.

We all know that cooperation is the foundation stone of every credit bureau and of the entire credit reporting system of the National Association. We all know that if merchants in a given community fail to cooperate in the giving of credit information through a central bureau, the credit structure is weakened. We know that if merchants in a given community fail to cooperate in obtaining their credit reports through the credit bureau, the credit structure is weakened.

Is anything happening now to weaken the credit structure in your community or mine? If so, what are we doing about it? If we are not doing anything about it, what do we propose to do?

There is a definite tendency *now*—among some credit granters—to minimize the value of a credit report in passing on an application for a monthly charge account. Your presence here today is good evidence of the fact that you are a supporter of sound methods of credit granting. You indicate by your presence here that you are interested in learning of the better methods of handling credits and collections; that you believe in cooperation; that you desire to go forward rather than backward.

You may say: "Well, you can never have 100 per cent

cooperation from all stores doing a credit business—there will always be some stores that do not cooperate." You may say that the situation presents nothing that should concern *us*. My answer is that the situation is serious and demands the most careful thought and study of all credit men and women who believe in sound methods of credit granting.

There are many instances of this lack of cooperation. Many stores are members of their respective local associations but are not cooperating whole-heartedly in the giving and receiving of credit information.

I am concerned in regard to the number who are conducting their credit business without the benefit of regular bureau reports, but I am *more* concerned in regard to those credit granters who are still members of their local associations—those who, on the face of things *seem* to be cooperating, but who have apparently forgotten the lessons of the past several years and are inclined to check their credits in a haphazard manner.

The problem is a serious one because we do not know how far these credit granters are carrying their new theories. We do not know how many credit accounts they may have on their books that have not been cleared through the credit bureau and are, therefore, not a matter of record for the other stores. We have reason to be concerned about these matters because we are interested in receiving a credit report that is accurate and valuable to the company that employs us.

Perhaps, in some instances, you'll find that the credit bureau is leaning toward the theory that it can get along without a few members who are dissatisfied; and that the credit departments are leaning toward the theory that they can get along without the bureau. To put it another way, both sides are to blame—*because neither can get along without the other*.

There must be more *cooperation*. There must be the same cooperation between the credit bureau and the member credit departments as there is between the credit department and sales departments of a retail store. There

(Continued on page 32.)

Editor's Note:

This article was condensed from an address delivered before the First Annual Convention of the Seventh District of the National Retail Credit Association—Kansas City, Mo., February 18, 19, 1935.

Telautographs Trap Bad Check Operator!

Bad Checks Cause Arrest Of Woman

Police Believe Wrong Name Given by Suspect in Frauds at Three Local Stores

A woman who police are convinced gave a fictitious name was arrested Saturday afternoon while attempting to cash a fraudulent check in a local department store. Earlier in the afternoon, police said, she passed two checks in two other department stores.

She said she was Mrs. Emily Makarowsky, 22, of Red Bank, N. J., and was held under \$1000 bond on a charge of fraudulent issue of checks. She was reported by the police to have made the rounds of the stores with a male companion.

Warned of the woman's activities by the Hartford Credit Bureau, an executive of the store had the police notified and detained the woman in conversation until the arrival of Detective Sergeant Thomas J. Hickey.

Credit Bureau Check-Up Made.

Becoming suspicious of the check, the credit manager of the first store asked the credit bureau to make a check-up. A family by the name of Wilson was located at the New Park Avenue address but was absolved of any connection with the alleged check passer, and a warning was immediately broadcast to member stores.

Appearing at the third store, the woman went directly to the credit offices and asked to have cashed a check for \$15. A store executive, forewarned, called the police.

--Hartford (Conn.) Daily Courant, March 10, 1935.

This Illustrates Only One Feature of Telautograph Value When Stores and Bureau Use Our Service!

THE HARTFORD CREDIT RATING BUREAU INCORPORATED



322 ASYLUM STREET • P. O. BOX 1262 • HARTFORD, CONN.
March 16th 1935

Telautograph Corporation
198 Pearl Street
Hartford, Conn.

Gentlemen:

The enclosed newspaper clipping, taken from last Sunday's Hartford Courant will be interesting to you, no doubt.

I am sending it along with the belief that you probably over-looked it and because it is just one more item of proof that the Telautograph can be of almost inestimable value to a retail merchant.

The clipping does not do the story justice. Here was an admitted professional check-passer, armed with a Postal Money-order made payable to the name being used and issued from New York. She also was fortified by having a supply of calling cards already printed as further identity and despite the most complete identification plan, she was arrested within fifteen minutes after we sent out a 'flash' warning on the Telautograph.

The excellent team-work of the credit managers involved might have been wasted had we not been equipped to render attention commanding warnings by use of the Telautograph.

Very truly yours,

Alfred C. Moreau
Alfred C. Moreau Secretary-manager.

ACM/IT

L. S. Ayres Co. and Wm. H. Block Co., Indianapolis, Contracted During March for Service to the Bureau!

If You Are Handling Your Credit Requests by Either Mail or Telephone at Present Time and They Average 10 or More Daily, Investigate the Telautograph Now—It Will Pay You Dividends.

We Have a Branch Office Near You

Send for Our Man Now!

TELAUTOGRAPH

16 W. 61st St.



No Obligation—Of Course

CORPORATION

New York City

Credit News Flashes--

Personal and Otherwise

North Platte's Officers

North Platte, Neb., although one of the smaller units of the National Association is an outstanding example of perfect cooperation. Every month, North Platte's



collection percentages (for the Research Division) come in 100 per cent. Its National membership is growing steadily and the photograph shows its new officers, elected on a pledge to increase National membership:

Standing, left to right: Vernon Kuhns, Director; G. B. Porter, Secretary; Ralph Robinson, Vice-President. Seated, left to right, Ethel Hood, President; Mildred Matheny, Treasurer, and Gertrude Streider, Director.

* * * * *

Ninth District Organized

At a special organizational meeting of the Ninth District of the National Retail Credit Association, held in Denver, Colo., February 9, the following officers and directors were elected, subject, of course, to ratification of the Regional Plan at the National Convention in June:

President, Russell H. Fish, Credit Manager, The May Co., Denver, Colo., Vice-President, Christian O. Jensen, Credit Manager, Z. C. M. I., Salt Lake City, Utah; Secretary and Treasurer, Chris Jensen, Credit Manager, Crews-Beggs Dry Goods Co., Pueblo, Colo.

Directors: Harold Lieberthal, Credit Manager and Secretary-Treasurer, Kaufman & Co., Dept. Store, Colorado Springs, Colo., Lawrence Baggs, Manager, George W. Daibler Clothing Co., Cheyenne, Wyo., John P. Collin, Secretary, Korrick's Dry Goods Co., Phoenix, Ariz., L. P. McArthur, Proprietor, Weld County Garage, Greeley, Colo., William E. Glass, Controller, Cottrell Clothing Co., Denver, Colo., and E. J. Kaltenbacher, Credit Manager, Joslin Dry Goods Co., Denver, Colo.

Russell H. Fish was named to represent the district as National Director. The Ninth District comprises the states of Arizona, Colorado, Utah and Wyoming.

Frawley New Credit Manager at Wallach's

Thomas Francis Frawley, Jr., has just been appointed Credit Manager of Wallach's, New York. Mr. Frawley was educated in the schools of Boston. Afterward, he studied credit, accounting and law.

For seven years, he was with the Jordan Marsh Company, Boston, as Assistant and Divisional Credit Manager. Following that, he was Assistant Credit Manager of Stern Brothers, New York. Now he is Credit Manager of Wallach's ten stores, at the age of 30.

* * * * *

The 1935 National Convention of the Morris Plan Bankers Association will be held October 7, 8 and 9 at the Cavalier Hotel, Virginia Beach, Va.

* * * * *

The Retail Credit Association of Albany (N. Y.) was recently organized and a campaign for National members is already under way. Officers are: William Colburn, President; Harry Blasie, Vice-President; Mrs. Cora Marx, Treasurer; and John Wood, Secretary.

* * * * *

Boston Association Elects Woman President for the First Time in Its History

Breaking a tradition which had been maintained throughout its twenty-nine years of existence, the Retail Credit Men's Association of Boston, March 20, elected a woman as its president. Miss Elizabeth M. Lynch, Credit Manager of the E. T. Slattery Company for the past 18 years is the new president.

Prior to her election, she has held office in the Association, during successive years, as a member of the Board



of Directors, Second Vice-President and Vice-President. She succeeds Charles W. Harvey, Credit Manager of the Gilchrist Company.

Other officers elected are: Leon C. Wayle, First Vice-President; Nelson W. Hart, Second Vice-President; Rowe A. Gladwin, Treasurer, and Frank E. Meehan, three-year director. Albert S. Schaller, John F. Madden and Harry S. Duley were elected as members of the nominating committee.

Rochester's Convention Committees "On the Job"

The Rochester Convention Committee is actively preparing for the National Convention, which will be held in Rochester, June 18-21.

Leonard Berry, Credit Manager, B. Forman Co., is General Chairman and J. Gordon Ross of the Rochester Gas & Electric Corporation, Vice-Chairman. Frederick G. Waite of the Retail Merchants Credit Bureau is Treasurer.

The Finance Committee consists of Clayton J. Herman, Roy Rumpf, Leonard Berry, Frederick G. Waite, and J. Gordon Ross. The names of the chairmen of other committees follow: Mary Huddy, *Reception*; Frederick G. Waite, *Hotel and Reservations*; F. B. McLaughlin, *Registration*; Edward Ott, *Banquet*; J. Gordon Ross, *Entertainment*; Miss Alice Alexander, *Ladies*; Walter Rising, *Group Conference*; Bert Copeland, *Exhibits*; Leland Somers, *Transportation*.

(Note: Your suggestions for the programs will be welcomed. Address your suggestions for the General Program to the National Office—for the Group Conferences to Leo M. Karpeles, c/o Burger-Phillips Co., Birmingham, Ala.)

* * * * *

The Credit Bureau of Milwaukee, we learn (as we go to press), celebrated its twenty-fourth anniversary April 4. More details in May issue.

* * * * *

Eugene P. Lecher, who for the past year has been connected with the credit department of the Boston Store, Milwaukee, recently was appointed Credit Manager of that store. He succeeds Harry A. Gibans, who is assuming less arduous duties in the collection department due to impaired health.

* * * * *

Col. Robert Stern, Credit Manager of A. Harris & Co., Dallas, former National Director and, at present Vice-President of the Retail Merchants Association of Texas, was recently appointed as a member of the City Plan Commission of Dallas.

* * * * *

Omaha Again Bids for the National Convention

The Associated Retail Credit Men and Women of Omaha, who for the past several years have been earnest and persistent in their efforts to obtain the National Convention, are now extending an invitation to the membership to consider Omaha as the National Convention City for 1936. You'll hear more from Omaha about this!

* * * * *

New Orleans Membership Campaign in Full Swing

The Retail Credit Association of New Orleans is making intensive preparations for the entertainment of the members of the National Association expected to attend the organizational meeting of the Fourth District in that city April 22 and 23.

The Association has just concluded a drive for local members and is now turning its attention to the building up of its National membership.

District Organizational Meetings

National members in the districts shown below are urged to attend the following organizational meetings:

District No. 1—Swampscott, Mass, May 15, 16.

District No. 3—Carling Hotel, Jacksonville, Florida, April 20.

District No. 4—Roosevelt Hotel, New Orleans, Louisiana, April 22 and 23. (Manager-Treasurer Crowder will attend.)

District No. 5—Hotel Statler, Cleveland, Ohio, May 20 and 21.

District No. 8—Plaza Hotel, San Antonio, Texas, May 13, 14 and 15.

District No. 10—Seattle, Washington, in conjunction with the Pacific Northwest Conference, May 13 and 14. (President Reed will attend.)

District No. 11—El Encanto Hotel, Santa Barbara, California, May 10 and 11. (President Reed will attend.)

(Note: If you have any doubt about the district to which you belong, see membership table on page 30).

* * * * *

Have you adopted the title—"Manager of Credit Sales"—recommended at our Memphis Convention?

* * * * *

Do Your Assistants Read The Credit World?

The following letter from Amis Guthridge, Proprietor of the Guthridge Furniture Co., Little Rock, Ark., needs no comment: "We are new members of the National Association, and we are certainly getting much value out of The CREDIT WORLD. It is just the "tonic" we've been needing."

Since our recent announcement making subscriptions available for the personnel of member stores, a number of subscriptions have been received. Howard Godfrey of the J. L. Hudson Co., Detroit, subscribed for his entire personnel! How about you?

* * * * *

Twenty-Second Annual Convention, National Retail Credit Association, Hotel Seneca, Rochester, N. Y., June 18-21, 1935. Plan now to attend.

* * * * *

Jacksonville Credit Granters Hear Crowder

Members of the Retail Credit Men's Association of Jacksonville, (Florida) were hosts to Mr. L. S. Crowder, General Manager-Treasurer of the National Retail Credit Association, March 19.

Many were anxious to meet and greet the National's new Manager-Treasurer, who was the guest speaker at a special luncheon meeting of the credit men of this city. His subject, "Greater Profit Through Credit Cooperation," was attentively received.

Those who were particularly active in making his visit the success it was included J. J. Tibbs, President; M. G. Phillips, Vice-President; H. C. Sedding, Secretary and Treasurer; and Directors H. C. Martin, L. J. Klotz, A. O. Jenkins, W. J. Koch, and the manager of the local credit bureau, C. E. Moorman.—H. C. SEDDING, Secretary and Treasurer.



"Forgotten Men"? Who's to Blame?

By C. M. MATHEWSON

Credit Manager, Cities Service Refining Co., Boston, Mass.

ARTICLE upon article has appeared in various credit publications since 1929 in which credit men have debased and defamed their profession for having neglected during the boom years the trust reposed in them by their employers. They have confessed to malfeasance and malpractice. They have admitted having deliberately squandered the accounts of their employers by extension of credit without reason. They have assumed responsibility for all the unfortunate conditions of the period, which might include collapse of the Disarmament Conference or for Cincinnati finishing at the bottom of the National League.

It is unquestionably true that there were instances where credit was granted recklessly, but these were exceptions and not the rule. There are a few who do not take their jobs seriously, who are content to coast along and trust that luck will be with them. There are others who, rather than prepare themselves with methods of handling borderline accounts, side-step the responsibility by refusing credit to all except the "gold bond" variety. Those methods necessarily turn away a great deal of profitable business.

However, in general, there is no more conscientious group of men and women in the business world than the members of the credit fraternity. It has been found that accounts receivable on the books at or about the time of the stock market crash shrank only about 1 per cent, while other assets were reduced in value from 20 per cent upward, and many were wiped out completely. *This does not reflect an irresponsible manner of extending credit.*

The cutting down in pay rolls has resulted in the combining of more than one department under a single head. It is not unusual to find a credit man in charge of the consolidation. If he had not done his job well when conditions were less severe, would he have been given additional responsibility in times such as these? Decidedly not! It means that he has been found ready when the occasion arose. It also proves that the busiest man is the one looked to when a job needs to be done right and done quickly.

James Bancroft, of the American Institute of Finance, at the New England Credit Conference in Providence gave full recognition to the work of the credit executive and characterized him as the "Forgotten Man of Industry." Many employers seem to have forgotten Benjamin Franklin's advice that "a penny saved is a penny earned."

A sales manager may take his golf clubs and go out and sell a large order of surplus goods at a price barely

above cost. For this he may get the personal congratulations of the president of the company and draw a nice fat bonus besides. But the credit manager who has quietly and patiently nursed along some old loyal account which has met reverses, and has salvaged a large balance which might easily have been a complete loss and saved a profitable account for the future, must consider it just part of a day's work!

The perfect credit man, of course, is yet to be born, and the progressive one, naturally, wants to improve upon himself and upon his staff. The constant study of business conditions from the viewpoint of economics and finance will keep him up in the front lines and find him ready with a strong offensive to meet any attack on sound credit policies.

I believe there should be greater activity in forming and maintaining credit groups. The Petroleum Refiners Credit Group of New England, of which I have the honor of being Chairman, was organized in 1926, and it has gone a long way in eliminating credit ills and abuses in our territory. Its members have become more than business acquaintances. They are real friends and not only trust each other implicitly but have come to depend upon each other. A code of fair practices was in effect in this group long before the NRA was ever thought of!

The National Retail Credit Association and the National Association of Credit Men have aided immeasurably in increasing recognition and prestige of the Credit Executive, but in my opinion self-condemning articles by credit managers have nullified to a marked degree the good work done by our Associations.

It is unreasonable to expect employers to raise credit men to the rank of major executives while the weaker spots are continually being amplified. Let's eliminate the inferiority complex which seems so much in evidence. Let's have a few more encouraging articles which contain some definite and concrete suggestions for advancement in the profession.

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Don't Miss the Petroleum Group Meeting at the National Convention

Credit executives of the oil industry are urged to attend the National Convention at Rochester, N. Y., June 18-21, and especially the *Petroleum Group Conference*. The Chairman of this Group, Mr. H. E. Butcher, Assistant Treasurer, Cities Service Oil Co., Tulsa, Okla., is anxious to hear from every credit petroleum executive and will welcome your suggestions for the program.

District Constitution and By-Laws

[[To Be Adopted by Each District Organization]] [[of the National Retail Credit Association]]

CONSTITUTION AND BY-LAWS OF THE CREDIT EXECUTIVES DIVISION OF THE DISTRICT NATIONAL RETAIL CREDIT ASSOCIATION

ARTICLE 1—NAME

The name of this organization shall be the Credit Executives Division of the District of the National Retail Credit Association.

ARTICLE 2—PURPOSES AND OBJECTIVES

This organization is formed for:

1. Fraternal and educational purposes and not for pecuniary profit or gain.
2. To create fraternal feeling among its members and all persons engaged in credit granting.
3. To unite fraternally, for mutual benefit, protection and improvement of credit granting and credit-granting conditions, all those engaged in credit granting.
4. To collect and distribute information, educational in its nature, among its members.
5. To hold annual and other conventions where the members may meet and receive instructions and may interchange views and experiences regarding credit granting.
6. To collect, correlate and disseminate statistical data dealing with consumer credit, in order to assist its members and others engaged in consumer credit extension to better understand and apply the principles upon which such consumer credit extension is based.

The objectives of this Association shall be:

1. To render uniform and establish more firmly, the principles upon which consumer credit is based.
2. To encourage the passage, correction and modification of laws, both Federal and State, needed for the equal and just protection of honest debtors and creditors, which will be beneficial to the nation's commerce.
3. To coordinate and improve the methods of consumer credit granting.
4. To assemble and disseminate instructive and desirable data and information on credit and commercial subjects.
5. To amend business customs and practices whereby consumer credit may be benefited and improved and the welfare of commerce advanced.
6. To promote cooperation between consumer credit granters and to perform such other lines and types of work as the members of the Association may determine from time to time are required for the advancement and protection of consumer credit.

ARTICLE 3—MEMBERSHIP

Membership of this organization shall consist of Consumer Credit Granters, Bankers, Professional Men, Individual Firms or Corporations engaged in any business or profession in which consumer credit is extended; who are members of the *National Retail Credit Association* and who reside in the District and who have complied with the requirements as designated by the Board of Directors of said district. Also, Credit Bureaus, Mercantile Agencies and Collection Agencies who are individual members of the *National Retail Credit Association*, and who reside in the District and who have complied with the requirements as designated by the Board of Directors of said district.

ARTICLE 4—SUSPENDING AND EXPELLING MEMBERS

The provisions of Article 4 of the Constitution and By-Laws of the National Retail Credit Association regarding the suspending and expelling of members will apply to the suspending and expelling of members of this District.

ARTICLE 5—ANNUAL DUES

The dues of the District shall be as prescribed by the Board of Directors.

ARTICLE 6—THE CREDIT WORLD

The CREDIT WORLD, published by the National Retail Credit Association, shall be the official publication of this District.

This provision does not prohibit the issuing of any special bulletins if they are found necessary in the conduct of the business of the District.

ARTICLE 7—ANNUAL MEETING

The Annual Meeting of the Credit Executives Division of this District shall be held at the place selected by the Board of Directors of the District, at least six months in advance of the date of the meeting. Such Annual Meeting shall open on the third Monday of February of each year. The General Manager-Treasurer and Secretary of the National Retail Credit Association shall be notified of the date of the meeting at least three months in advance in order that arrangements may be made for a representative of the National Retail Credit Association to attend the Meeting. The registration fee at each meeting shall be designated by the Board of Directors.

ARTICLE 8—REPRESENTATION

Each individual member in good standing with the District of the National Retail Credit Association shall be entitled to one vote. A member unable to attend the annual meeting may give his proxy to any other individual member who is a *Credit Granter* and who is a member of the District and resides in the same or adjoining state.

ARTICLE 9—OFFICERS AND DIRECTORS

Section 1. The officers of the Credit Executives Division of this District shall be a President, Vice-President, and a Secretary and Treasurer, all of whom shall be credit granters.

Section 2. The District shall be represented on the Board of Directors of the National Retail Credit Association by one representative who will be known as National Director and who will be elected at the Annual Meeting of the District. In case the representative so elected becomes an officer of the National Retail Credit Association at its Annual Convention, another representative shall be elected to fill the vacancy. (See Article 10, Section 3-D.)

Section 3. The Board of Directors of this District shall consist of six Directors (all of whom shall be credit granters) and the President, Vice-President, and the Secretary and Treasurer who will be elected by the membership of the District at its Annual Meeting.

ARTICLE 10—NOMINATIONS, ELECTIONS AND FILLING VACANCIES

Section 1. (A) The President, Vice-President and Secretary and Treasurer and the six Directors shall be elected by a ballot at the Annual Meeting in the following manner: On the first day of the meeting a committee, consisting of seven members, shall be appointed by the President, to be known as the Nominating Committee.

(B) One member of this Committee shall be selected from the list of Ex-presidents and he shall act as Chairman. The remainder of said Committee shall be selected from various parts of the District as the President may deem advisable.

Section 2. (A) Said Committee shall present to the Convention one or more names for the offices of National Director, President, Vice-President, Secretary and Treasurer, and Directors of the District. In selecting the candidates for directors, the committee shall exercise care in a proper distribution of directorships throughout the District.

(B) Nominations for Directors may be made in writing to said Committee by a majority of the delegates from the State in which the nominee resides. Such nominations must be included on the official ballot.

(C) These nominations shall be announced in the Convention hall on the first or second day of the Annual Meeting.

(D) Nominations for National Director, President, Vice-President, Secretary and Treasurer or Directors may be made from the floor of the Convention at any time before nominations are finally declared closed, immediately preceding balloting.

(E) The Balloting shall occur during the last day of the meeting.

Section 3. (A) The National Director, President, Vice-President, Secretary and Treasurer and the Board of Directors shall be elected for one-year terms or from the annual meeting

of one year to the annual meeting of the following year. The new Officers and Directors shall assume their duties at such time on the last day of the meeting. (Note: The National Director shall take office at the National Convention following election by the District.)

(B) No city shall be entitled to more than one Officer or Director at the same time.

(C) Vacancies occurring upon the Board of Directors, between annual meetings, shall be filled by the Board, *pro-tempore*, to serve until the next Annual Meeting.

(D) In case the representative of this District elected to the Board of Directors of the National Retail Credit Association becomes an Officer of the National Retail Credit Association at its annual Convention, another representative shall be elected by the Board of Directors of the District to fill the vacancy.

(Alternate Director. It is suggested that an alternate National Director be elected to serve in the event the National Director from this District is unable to serve or is elected an Officer of the National Retail Credit Association.)

(E) If the office of the President of the District should become vacant, the Vice-President shall assume that office. The vacancy occurring in the office of the Vice-President shall be filled *pro-tempore* by the Board of Directors until the next Annual meeting.

ARTICLE 11—APPLICATION FOR MEMBERSHIP

Application for membership must be made in writing to the Secretary of the Local Association if there be one; if not, to the Secretary of the National Association. At the same time, the applicant, if not a member of the National Retail Credit Association, must submit an application for membership in the National Retail Credit Association, together with a remittance for one year's dues. Application from a city having an affiliated Association must be approved by said affiliated Association.

ARTICLE 12—QUORUM

One-fifth of the total membership of this District who are in attendance, in person or by proxy, at the Annual Meeting, shall constitute a quorum for the transaction of business. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business. With the approval of the Board of Directors, a member of the Board may have representation at any Board Meeting, by written proxy—held by a credit granter. A majority of the members of any Committee, either in person or by proxy, shall constitute a quorum for their respective communities.

ARTICLE 13—AMENDMENTS

All alterations, additions or amendments to the Constitution and By-Laws of this District organization shall be submitted to the General Manager-Treasurer or Secretary of the National Retail Credit Association who shall, for purposes of uniformity, submit such suggested changes, alterations, or additions to each of the eleven Credit Executives Divisions. Such changes, alterations or additions shall become effective in all Districts upon ratification by two-thirds vote of all the Districts.

ARTICLE 14—USE OF NAME

The District shall be entitled to use the name "Credit Executives Division of the District of the National Retail Credit Association" as well as the official insignia of the National Retail Credit Association on the official stationery.

ARTICLE 15—STANDING COMMITTEES

The Standing Committees of the District shall be:

- (A) Finance
- (B) Membership
- (C) Credit World
- (D) Legislative
- (E) Community Credit Policy

and such other Committees as the Board of Directors may designate. These Committees shall be appointed by the President as soon as possible after his election.

ARTICLE 16—LOCATION OF DISTRICT HEADQUARTERS

The headquarters of this District shall be located in the city in which the Secretary and Treasurer resides.

BY-LAWS

ARTICLE 1—PRESIDENT

Section 1. (A) The President shall preside at the Annual Meeting of this District and all meetings of the Board of Directors held during his term of office and be chief Executive Officer exercising general supervision over the interest and wel-

fare of the District organization. He shall fill any vacancies occurring upon all Committees.

(B) The President shall call the regular meetings of the Board of Directors or special meetings of the Board at his discretion, or upon written request of a majority of the members of the Board. He shall have the deciding vote in case of a tie.

Section 2. The Vice-President, in the absence of the President, shall perform the duties of and have the same authority as the President.

Section 3. In the absence of the President and Vice-President, the Board of Directors shall elect from its membership a President, *pro-tempore*.

ARTICLE 2—SECRETARY AND TREASURER

The Secretary and Treasurer shall have direct control over the District Office and all of its activities; he shall sign, in the name of the District organization, all legal documents; he shall be accountable for the receipt and disbursement of all funds of the organization and shall deposit such funds in such banking institution as may be approved by the Board of Directors. He shall give notice to members, by mail, as well as in *THE CREDIT WORLD*, of the date of each Annual Meeting at least thirty days in advance. He shall render an annual report of the organization's activities and finances to the Annual Meeting and make such reports as may be required by the Board of Directors. His accounts and books shall be, at all times, open to inspection by the Board of Directors. He shall attend all meetings of the Board of Directors; he shall keep in a book provided for that purpose, a true and correct record of the proceedings of such meetings; he shall have charge of all books, records and documents properly belonging to or appertaining to his office.

ARTICLE 3—BOARD OF DIRECTORS

Section 1. The Board of Directors shall dictate the policy of this organization, authorize its budget and determine the amount of dues, if any.

Section 2. The Board of Directors may instruct the President to appoint such Committees as occasion may require, and as it may deem proper for the carrying out of the objects of this organization.

Section 3. The Board of Directors shall cause the books of the Secretary and Treasurer to be audited each year immediately before the Annual Meeting. Such audit to be made by a Committee or Qualified Accountant designated by the Finance Committee. If, in the judgment of the Board of Directors, an audit or treasurer's Bond should be considered advisable, it may be ordered at any time.

ARTICLE 4—STANDING COMMITTEES

The Standing Committees shall consider such matters as are pertinent to their special objects and shall suggest to the Board of Directors for its approval such action as may seem wise.

ARTICLE 5—CHECKS

All checks shall be signed by the Secretary and Treasurer and countersigned by the President of the organization.

ARTICLE 6—RULES OF ORDER

Roberts' Rules of Order shall govern all Annual Meetings.

ARTICLE 7—ANNUAL REPORTS

The President, the Secretary and Treasurer, and all chairmen of Committees, standing or otherwise, shall report to the Annual Meeting of this organization. All books, documents, reports of Officers and reports of chairmen of Committees shall be the property of the Association.

ARTICLE 8—SEAL

The official seal of the National Retail Credit Association may be used upon the stationery of any member in good standing.

ARTICLE 9—AMENDMENTS

These By-Laws may be amended as provided for in Article 13 of the Constitution.

Editor's Note:

Since district organizations of the National Retail Credit Association are being formed in all parts of the country, members are urged to read these suggested organization plans.

News of the Credit Women's Clubs

Mrs. T. L. McGill of St. Paul Is Successful Credit Bureau Manager

We believe that Mrs. T. L. McGill of St. Paul, Minn., heads the largest credit bureau in the United States supervised by a woman. The Saint Paul Bureau boasts a half-million master files and three million individual ratings. During the peak seasons of the year the bureau employs eighty-five people.



In addition to being Secretary-Treasurer and Manager of the Mutual Credit Rating Exchange, she is also Secretary and Treasurer of the St. Paul Retail Credit Association and a director of the Minnesota Retail Credit Bureau Association.

Oklahoma City Credit Women Organize

The recently organized Credit Women's Breakfast Club of Oklahoma City held its first meeting March 21, with an attendance of 75. R. Leo Frye, Credit Manager of Rothschild's B. & M. Store and President of the Retail Credit Association was principal speaker.

Officers of the new club are: Ruth Ross, President; Florence Hooper, Vice-President; Hazel Neel, Treasurer; and Pearl Josephson, Secretary.

The Seattle Club is making elaborate plans for the entertainment of the Northwest Clubs during the Northwest Conference in May.

San Francisco Programs Diversified

Attendance at our breakfast meetings is like an educational extension course. Not only do we hear about credit but our speakers' topics have ranged from Chinese laundries—through the NRA—to a woman jurist's experiences in the San Francisco courts!

—MARY DOLLARD, *Publicity Chairman.*

Baltimore Club Favors Women's Division in the National Association

"The Retail Credit Women of Baltimore are heartily in favor of a women's division being formed at the Rochester Convention," wrote Secretary Siebert to President

Reed. "Every officer of a credit women's club should be present at the Convention to assist in its formation."

Minneapolis Has a "Supper" Club

For the sake of variety, according to H. W. Hoklas, 20 women credit granters of Minneapolis have formed the Minneapolis Retail Credit Women's Supper Club.

Officers are: Misses Ann B. Collins, President; Ethel J. Cunrath, Vice-President; Dell A. Drews, Treasurer; Esther Westin, Secretary.

At the March meeting of the Baton Rouge (La.) Credit Women's Club, Mrs. Cecile S. Devall, Superintendent of Social Service, Baton Rouge, discussed the problems of her office.

South Bend's March Meeting

At the March meeting of the South Bend Credit Women's Club, the subject of collections was resumed and the President read extracts from issues of *THE CREDIT WORLD*. As the Indiana Supreme Court has declared the Garnishee Law unconstitutional, the subject of collections is considered such an important one that we expect to continue these discussions for some time.

—H. M. BRUGGNER, *Secretary.*

"How to Organize a Breakfast Club"

Miss Avadana Cochran, President of the Pacific Northwest Council of Credit Women's Breakfast Clubs, has prepared a monograph under the above title. "We will be very glad to send this to any city interested," she writes, "and it should prove helpful to any prospective club."

Vancouver Club's New Officers

The newly elected officers of the Vancouver (B. C.) Credit Women's Breakfast Club, shown in the photograph, are: Top row, left to right—Mrs. Molly Woodford, Misses Dorothy Campbell, Beverley Wishart, and Winifred Baker, all directors.



Bottom row—left to right: Misses Patricia Ashbee, Secretary; Etta Robertson, President; Edna Hebrandson, Vice-President; and Molly Noble, Treasurer.

—PATRICIA ASHBEE, *Secretary.*

Applying Psychology to Adjustments

By MISS I. M. RADCLIFF

Assistant Credit Manager, The Emporium, St. Paul, Minn.

PSYCHOLOGY, as considered here, is "the study of human reactions for the purpose of understanding and influencing them." I know of no one to whom the knowledge of the causes of human reactions is of such interest and importance as those who are controlling credit and making adjustments. Daily and hourly, you are thrown with others in relationships which call for understanding and tact. You must meet customers on their own ground, interpreting their needs and satisfying their wants, and making each contact a link in the chain of future contacts.

If you buy a car you learn how to run it—how to care for it—and something about its mechanism in order to understand and control its activities. Then why, if you are attempting to influence that amazing vagary, a human being, is it not important to learn something of his mechanism?

Psychology has pointed out very definitely that ALL human beings possess certain easily recognized urges and, knowing what these urges are, the reactions to given situations can pretty well be predicted. In other words, as Kipling put it—"The Colonel's Lady and Judy O'Grady are sisters under the skin!" Considering these urges and using them is not, as some people think, chicanery. It's just basing your judgment on certainty instead of guesswork.

Those urges which lead most directly to favorable contacts are: Desire of Approval, Rivalry, Curiosity, Kindliness, Mastery, Ownership or Possession.

When any one or more of these emotions can be stimulated or aroused, there is every chance of making a right adjustment for all concerned.

Those urges which inhibit favorable contact are: Dislike of Scorn, Anger, Fear, Hunger, Fighting.

When any of these urges are in evidence, you might as well give up the ghost or else do something to arouse a favorable urge—always bearing in mind, however, that you yourself possess these urges as well as the person with whom you are dealing.

Take the customer who dashes into your office and thunders out, "CLOSE MY ACCOUNT!" He isn't amenable to reason—he wants to *fight*. (So do you, no doubt, but it JUST ISN'T DONE.) But you know your remedy! You do something to arouse the favorable urge—*Mastery*. You call someone into your office and say, "Find out at once who's responsible for making Mr. So-and-So wait such a ridiculous length of time to have his charge OKed and see that it doesn't happen again."

He immediately feels that he is master here and calms right down, and then another urge begins to creep in—*Kindliness*. He doesn't want some poor clerk to suffer because of him. First thing you know you're talking about the football game and Mr. So-and-So has forgotten all about closing his account.

Or perhaps he has been "insulted" by one of your pet collection letters and has come in just to let you know

what a worm you are (and how you'd like to punch him in the nose!) Without committing yourself one way or the other you say, "I'll look into this matter right away. I'll have your account brought right in—." Then you step to the door and order one of your minions to bring Mr. So-and-So's account in at once.

The good work is started! You've got two urges going full tilt. He's feeling in fine fettle because he has you running around for him and then his curiosity is beginning to bob up. He's never seen his ledger account all spread out before him and he's beginning to wonder just what it's going to look like. Now he's ready for you to get in your good work!

You may use a dozen different ways to arouse these emotions, but the important point is that you know—whether he's the King of England or the ash man—that he possesses these emotions for you to arouse and make use of.

So much of human happiness is based on what other people think of you that two urges, *Dislike of Scorn* and *Desire of Approval*, are constantly to be reckoned with. Nine times out of ten, when Mrs. So-and-So comes in with her adjustment, with a very belligerent attitude, she is really afraid of what you are going to think of her. She doesn't want to be doubted, ergo, she covers up this fear with her belligerence. The fairest kind of an adjustment would seem like highway robbery to her in this frame of mind.

Desire of approval must be aroused. You say something to her that makes her believe that you think her a very wise woman indeed to bring her trouble to you. That is a very satisfying feeling (women adore being thought wise) and she is then ready for your proposition.

Then there is the occasion where you feel that the best adjustment for all concerned is to allow the customer to keep the merchandise and give her a small allowance. However, she wants nothing less than a full refund and she has her little mind all made up not to leave your office until she gets it. This is the time when you must appeal to her sense of *Possession or Ownership*. She, perhaps, has returned a dress made from silk purchased

Editor's Note:

This article was condensed from an address delivered before the First Annual Convention of the Sixth District of the National Retail Credit Association—St. Paul, Minn., February 18, 19, 1935.

in your store. It has a slight flaw in it, nothing that you can take up with the manufacturer, but she has paid quite a lot to have it made and is pretty well worked up. You say, "What a shame this should have happened to

(Continued on page 32.)

Some Thoughts on Liberal Credit Granting

By S. M. MILLER

Credit Manager, California Piano Supply Co., Los Angeles, Calif.

YOU credit men have, no doubt, read article after article on how to take a credit application, collect accounts, promote new sales by proper collection methods, etc. Your knowledge is mostly acquired, however, in what actually transpires in your daily practice and personal experiments. (Much the same as a chemist may try a test for a certain result and if this does not work he'll probably keep on trying until he finds out what will.) We as credit men are practically in the same boat. We all desire to profit by the other fellow's writings but we may have to detour a little when we attempt to apply it to our own procedure.

The value of a credit man's efforts depends upon his ability to accept the greatest amount of credit sales with the least amount of losses. Your work, therefore, constantly lies in balance between the advantage or disadvantage in accepting an account and the worries which are bound to follow in the event that you have made a mistake in your judgment.

Several years back the answer to the question, "When to extend credit?" was based principally upon the applicant's length and permanency of employment and this is about the first spot on a credit application which may draw our eye today. Yet irregularity of employment and conditions in general have made many changes in the credit policies of most concerns. The credit man has been put "on the spot," so to speak.

If credit possibilities without the required employment qualifications are declined the business will suffer losses for lack of volume and if accepted the credit man has taken a step adverse to his past training and is gambling on its outcome. The answer is to experiment again and see what the results may bring. If the Government can

should be more liberal minded now than ever before. Credit is used more universally and the many agencies which have sprung up to assist in establishing identity, to cooperate in collecting accounts and to aid in tracing "skips" should make the possibilities of collection greater.

In California we have probably more advantages than those in many states. Our laws are such that we may attach most any asset such as bank accounts, automobiles, wages (with exemptions), etc. We are also fortified with many agencies equipped to aid us in uncovering any tangibles on which we may desire to execute or to assist us in locating skips when necessary. I refer particularly to the State Motor Vehicle Department, where we may obtain an address and description from the records of an individual's driver's license and a complete description of his car and the legal owner thereof.

The various Marriage License Bureaus, Divorce Index Offices and Bureaus of Vital Statistics in each important county seat provide detailed analyses of all persons (with names of their relations, friends, etc.) who have either become wedded or divorced within their jurisdictions.

The registration files of all persons who vote are open to the public for comparison of signatures (if any) for proof of identity or location of residence addresses.

Police departments in most of our larger cities maintain record bureaus to uncover any articles which may be identified by number or description from pawn shops, secondhand stores, etc.

In some places the gas companies, water supply companies and moving and transportation companies cooperate with the merchants to keep pace with those individuals who are constantly on the move.

In Los Angeles, we have an office supplied with every city directory of important cities in the United States and Canada; this service is very beneficial in locating a debtor who has departed from the city.

The various title companies, assessors' and surveyors' offices prove advantageous to those who may seek relief through the knowledge of property ownerships and equities.

And—most important of all is the Credit Association established to uncover bad reports.

Most of you collection men can mention many more agencies comprising the equipment of this profession but the main point is that with all these advantages which not many years ago were not a part of our paraphernalia, we should be very liberal in the extension of credit especially when the merchandise sold is with a contract agreement.

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Twenty-Second Annual Convention, National Retail Credit Association, Hotel Seneca, Rochester, N. Y., June 18-21, 1935. Plan now to attend.



The store of the California Piano Company is an exact replica of a grand piano!

change its policy on money standards and the banks revise their basis of security, why can't an individual firm advance accordingly?

There are many good reasons why the credit man

Springfield (Mass.) Association Explains Debtor-Rehabilitation Plan to Public

CREDIT associations, in many communities, have developed commendable plans for rehabilitating the overburdened debtor. The Springfield, Mass., local has gone a step further, and through the newspapers is *explaining the value of its rehabilitation program* to the public. A typical newspaper article follows:

The activities and policies of the Credit Bureau, Inc., are in keeping with the precept that people are better citizens, more desirable credit customers, and more efficient employees if they are free from worry caused by an overburden of debts. Recognition of this principle prompted a meeting of representatives of the Credit Bureau, the Retail Credit Association, the welfare agencies, and the employers of labor, held April 3, 1931, for the purpose of formulating a definite plan for assisting relief cases involving the merchants, the employers and the welfare agencies.

The representatives of the three groups were unanimously in agreement that workers' wages should not be attached until after every other possible course of action had proved of no avail. It was also believed that, if creditors or their attorneys adopted the procedure of communicating with a debtor's employer before placing an attachment, the latter would graciously exert influence to encourage the debtor to make some satisfactory arrangement for the liquidation of his debts.

Advertisements have been placed in the local newspapers by the Retail Credit Association urging harassed debtors to seek relief from threat of attachment of wages by communicating with the Association's secretary or with the Credit Bureau, Inc. Employers have been requested to promptly notify the Credit Bureau of any cases of attachment of wages where the assistance of the employer was not solicited previous thereto, and any instance where the employer feels an employee may have been exploited by a creditor.

The Credit Bureau interviews the debtor, analyzes his credit record in the files of the Bureau and makes such investigation necessary to supply full information to creditors. If circumstances seem to warrant, the Bureau asks for the cooperation of creditors in withholding attachment of wages and solicits their approval of an arrangement that will permit the debtor to deposit at the Bureau any income he may receive over and above what he actually needs to meet current living expenses. The money deposited at the Bureau is promptly distributed to creditors on a *pro rata* basis, according to the size of each creditor's claim.

As the unemployment and economic situation grew worse, the scope of this work was enlarged and made more effective through the appointment of an "Employers' Relationship Committee" by Mayor Dwight R. Winter, August 25, 1933. This committee was reappointed by Mayor Henry C. Martens and is comprised of Clifford Bureau invite harassed debtors to visit their respective community as a whole; Attorney Raymond T. King, representing the Hampden County Bar Association; Fred P. Strout, representing the Credit Bureau, Inc., and the Retail Credit Association; Howard Sanderson, representing the Employers' group; Edgar W. Austin, repre-

sending the Family Welfare Association; and Mrs. George Sabin, representing the Board of Public Welfare.

The efforts and influence of the Mayor's Committee, with the Family Welfare Association and the Credit Bureau collaborating, have met with complete success to date in prevailing upon creditors and their attorneys to avoid attachment of wages, seizure of property or other unduly severe proceedings where the debtor could give an acceptable explanation for his inability to satisfy the demands of creditors and at the same time meet necessary current living expenses.

Both the Family Welfare Association and the Credit Bureau invite harassed debtors to visit their respective offices with a view to securing assistance along the lines aforementioned. The work of determining the actual extent of a debtor's need for assistance is greatly facilitated by the assignment of a social worker in the employ of the Family Welfare to make investigations and visit a debtor's home where the latter procedure seems desirable.

The expense of the work performed by the Family Welfare Association is absorbed in its general relief fund while the clerical labor, telephone, stationery and postage expense involved in the work performed by the Credit Bureau is partially offset by a 10 per cent deduction from the remittances made to creditors. *No charge whatsoever is assessed against the debtor.*

Considering the intent and purposes of numerous bills filed during the present session of the State Legislature, it would seem their sponsors were not familiar with the work which is being done in Springfield for the relief of deserving debtors. Reports received by the Credit Bureau indicate that merchants, employers, welfare agencies and credit bureaus in other communities either have or are about to inaugurate a service to debtors patterned after the Springfield plan.

Merchants have found from bitter experience that it is difficult to obtain payment from persons whose income is actually exempt from attachment. Members of the State Legislature should not lend their support to the passage of laws proposed which, if enacted, would increase the cost of living by absolutely prohibiting the use of the only effective form of collection procedure that was justifiable.

Try the "Blue Book" of Credit and Collection Letters

Nearly 3,000 Copies in use by Members!

SPECIAL PRICE \$1.00 POSTPAID

(To members only; to nonmembers,
\$1.50 postpaid)

Order from National Office

Collection Procedure on Automobile Repair Accounts

In our bookkeeping procedure we close our books for each month on the 25th of the month, the statement to reach the customer on or before the first of the month, and our terms to our customers are that our accounts are due on the first of the month, *past due after the 10th*.

In our follow-up of accounts not paid on their due date I believe we are perhaps somewhat stricter than is common practice among credit granters in other lines in Milwaukee. If an account is not paid by the 25th of the month in which it became due, we follow it with a special letter. We continue our follow-up at the rate of twice a month and ordinarily use five letters in each follow-up series.

In the first two of these letters we combine a request for payment with an advertisement or a sales promotion angle. While asking them for our money, we at the same time call their attention to special service operations which we are offering at special prices, attempting to convey the impression that we want our money but at the same time we want their continued patronage.

One other thing that we do in each series of five letters that we use is to carry one letter in that series which is purely a personal letter. This we know is not considered good credit procedure but in an institution the size of ours, where a great many of our accounts know the credit manager by name, we have found that to include this personal element in one of each series of letters seems to bring us greater results than any other type of appeal which we have been able to use.

Perhaps we give this type of letter the most favorable position in our series in order to justify our belief that it is effective but, regardless of that, the fact remains

that it has been an entirely effective and satisfactory means of getting customer cooperation in paying accounts.

Once a year we use a special type of letter (copy of which is shown in Column 1), which in our business has been the most satisfactory producer of definite results we have ever used. This is sent out with a "return address, return postage guaranteed" envelope, and we find that we receive returns from over 70 per cent of the accounts, either in the form of checks or specific information as to when the account will be paid.

We use this letter in December, the month when most of our department stores and other charge account stores are particularly interested in getting Christmas business and are giving us the floor, so to speak, in our special collection procedure, which allows us to make an especially attractive collection record each December.

—C. RAY COOK,

Credit Manager, Edwards Motor Co.,
Milwaukee, Wis.

Official Notice

To All Members of The National Retail Credit Association:

You are hereby notified that the Twenty-second Annual Convention of the National Retail Credit Association will be held in the city of Rochester, New York, June 18, 19, 20 and 21, 1935, for the election of Officers and Directors and the transaction of such business as may properly come before the meeting.

Officers Whose Terms Expire:

President, C. M. Reed, Denver, Colorado;
First Vice-President, Giles C. Driver, Cleveland, Ohio; Second Vice-President, E. K. Barnes, Spokane, Washington.

Directors' Terms Expiring 1935:


David H. Goldman, Pittsburgh, Pa.; L. M. Jahn, Houston, Tex.; Charles M. Keefer, Washington, D. C.; Floyd Miller, Pontiac, Mich.; Aug. C. Wehl, Milwaukee, Wis.

The following Directors were elected at Memphis in 1934 for the term of one year only inasmuch as amendments to the Constitution and By-Laws providing for the new district organizational set-up are to be voted upon at Rochester: Frank Batty, San Francisco, Calif.; S. E. Edgerton, Los Angeles, Calif.; Russell H. Fish, Denver, Colo.; J. B. Haberer, Fort Smith, Ark.; E. F. Horner, St. Louis, Mo.; W. R. Kendall, Memphis, Tenn.; L. T. Pease, New York City; Louis Selig, Baton Rouge, La.; Herbert R. Stuart, Tulsa, Okla.; Paul C. Vaughan, Birmingham, Ala. A. P. Lovett, Kansas City, Mo., is a Director because of being last Past President.


L. S. CROWDER
General Manager-Treasurer.

Attest:

ARTHUR H. HERT
Secretary.



EDWARDS MOTOR COMPANY
SERVICE FOR ALL MAKES OF CARS
MILWAUKEE AVENUE AT TWENTY-SIXTH
MILWAUKEE, WISCONSIN



REPAIRS
ACCESSORIES
AND PARTS
CONTACTS, FUEL
AND LUBRICATION
SERVICE
WASHING
PAINTING
REPAIRING
RECONDITIONING
BRAKE TESTING
BRAKE LINES
PUMP REPAIRS
BODY WORK
INTERIOR
STUNDS
GENERATOR
ALL ELECTRICAL
SERVICE
TUNING
SERVICE
REPAIRING
VALVING
TIRES AND TUBES
REPAIRABLE
USED CARS

②

Mr. John Jones
Milwaukee
Wisconsin

Dear Sir:

This being the last month in our calendar year, we are desirous of receiving payment of or effecting reconciliation of accounts on our books of a date prior to November 1, 1934. We shall appreciate your assistance when we direct attention to your balance of \$ part or all of which dates prior to November 1st.

If for any reason you are withholding payment on this account, we would appreciate a statement of conditions on the form provided at the bottom of this letter. In the event, however, the amount is correct, we request that you send us your remittance before the end of this month.

However, whether you send a remittance or not, please be sure to return this letter in the enclosed self-addressed envelope, first filling in the spaces below, thus designating the status of your account.

We thank you for your cooperation in assisting us to clear our ledgers before the end of the year.

Very truly yours,
EDWARDS MOTOR COMPANY

C Ray Cook;K Credit Manager

Amount owing you as mentioned above is correct _____

We enclose check _____. We will mail check on _____

Reasons for non-payment are: _____

Signed _____

All Together for a Grand Finale!

THE membership drive is on the final lap, and the National Office is assured of a strong finish.

New Orleans has just completed a campaign for new members of the Local, and the President of the Association, Mr. W. G. Finnan, has written that they expect to report a large number of National members.

Shreveport—Mr. A. L. Pollard, Secretary of the Shreveport Association, has written that that Association is now ready to join the National 100 per cent.

Baton Rouge—National Director Selig sent in 18 members for this month.

H. B. Ryland, Secretary, Credit Men's Association, Inc., Monroe, sent in thirteen applications to date, and writes that more may be expected. Louisiana is coming to the front.

Regional Membership Chairman Younts of Miami is continuing his drive for members and Florida will be heard from. During the drive Miami expects a 50 per cent increase in membership.

L. A. Roos, Secretary of the Tampa Association, has promised 20 members.

President Tibbs of the Jacksonville Association selected 20 of the principal credit managers for membership work, and Secretary Moorman of the Association assures us that Jacksonville will double its membership.

A. E. Dickson of the Orlando Credit Association promised 20 to 25 members from that city.

Pittsburgh has recently inaugurated a membership campaign, which President and National Director Goldman and the genial Secretary of that Association, Guy Ferguson, feel will produce big results.

B. F. Collins, Regional Membership Chairman, has written that he expects Minneapolis and St. Paul to report a big increase in membership.

Splendid work is also being done by State Chairman W. A. Atkinson of Camden, New Jersey, and State Chairman H. E. Northey of Norfolk, Virginia.

State Chairman of West Virginia, J. D. Torrance of Huntington, has reported 48 members, which may be doubled by May 31.

Texas is just starting an intensive campaign and much can be expected from the Lone Star State before the close of the drive, May 31.

The Houston Association has just sent in 18 applications and says this is just the beginning.

San Antonio, Dallas and Fort Worth started their drives recently and report encouraging results to date. Other cities in Texas have promised to do their part and have assured Regional Chairman Jacobs and State Chairman Ross that they will not be disappointed in the final outcome.

National Director Stuart and J. C. Rayson of the Tulsa Association are on the job. Twenty-three memberships have been reported in the last ninety days and several applications were received this month. Mr. Rayson writes that additional applications may be expected before the close of the campaign.

Oakland, San Francisco and Los Angeles expect a further increase in membership, although a total of 113 members were reported through March. Other Cali-

fornia cities are continuing their drives, and Regional Chairman Webb of San Jose writes that District 11 will finish in a blaze of glory. His District has reported 173 members and he claims that he has just started—and challenges all other Regional Chairmen.

(Continued on page 32.)

Membership Standing

New Members Enrolled—May 1, 1934 to March 31, 1935

Region State City			Region State City		
DIST. No. 1	81		Miscellaneous	16	
CONNECTICUT	32		WISCONSIN	24	
Hartford	12		Milwaukee	13	
New Haven	15		Miscellaneous	11	
Miscellaneous	5		ONTARIO	4	
MASSACHUSETTS	27		DIST. No. 6	148	
Springfield	19		IOWA	62	
Miscellaneous	8		Des Moines	53	
NEW HAMPSHIRE	2		Miscellaneous	9	
RHODE ISLAND	20		MINNESOTA	69	
Providence	20		St. Paul	56	
DIST. No. 2	532		Miscellaneous	13	
DELAWARE	2		NEBRASKA	7	
DIST. OF COLUMBIA	29		NORTH DAKOTA	2	
Washington	29		SOUTH DAKOTA	2	
MARYLAND	176		MANITOBA	6	
Baltimore	176		DIST. No. 7	240	
NEW JERSEY	22		ARKANSAS	24	
Camden	20		Little Rock	10	
Miscellaneous	2		Miscellaneous	14	
NEW YORK	188		KANSAS	37	
New York City	166		Wichita	27	
Miscellaneous	22		Miscellaneous	10	
PENNSYLVANIA	58		MISSOURI	140	
Reading	29		Kansas City	58	
Miscellaneous	29		St. Louis	72	
VIRGINIA	9		Miscellaneous	10	
WEST VIRGINIA	48		OKLAHOMA	39	
Charleston	15		Tulsa	23	
Huntington	18		Miscellaneous	16	
Morgantown	10		DIST. No. 8	35	
Miscellaneous	5		TEXAS	35	
DIST. No. 3	40		Fort Worth	11	
FLORIDA	32		Miscellaneous	24	
Jacksonville	14		DIST. No. 9	79	
St. Petersburg	12		ARIZONA	2	
Miscellaneous	6		COLORADO	67	
GEORGIA	6		Denver	55	
NORTH CAROLINA	2		Miscellaneous	12	
DIST. No. 4	131		UTAH	7	
ALABAMA	22		WYOMING	3	
Birmingham	19		DIST. No. 10	78	
Miscellaneous	3		ALASKA	1	
LOUISIANA	20		IDAHO	4	
Monroe	13		MONTANA	4	
Miscellaneous	7		OREGON	31	
MISSISSIPPI	9		Portland	29	
TENNESSEE	80		Miscellaneous	2	
Memphis	33		WASHINGTON	30	
Nashville	18		BRITISH COLUMBIA	8	
Miscellaneous	29		DIST. No. 11	176	
DIST. No. 5	137		CALIFORNIA	173	
ILLINOIS	13		Bakersfield	12	
INDIANA	6		Los Angeles	37	
KENTUCKY	15		Oakland	41	
Louisville	14		Sacramento	14	
Miscellaneous	1		San Francisco	35	
MICHIGAN	12		San Jose	15	
OHIO	63		Miscellaneous	19	
Akron	12		HAWAII	3	
Dayton	35				

"Installment Credit Reacted to America's Benefit," English Credit Authority Says

IT IS refreshing to find, occasionally, vindication of our credit practices from other lands, such as is contained in the article reproduced below. Mr. Gibson Jarvie is a noted English banker and an authority on credit subjects.

His remarks below, extracted from a recent address before the British Sales Promotion Association, on the subject of "Deferred Terms as a Sales Stimulant," are reproduced from the *Commercial Review*, London.

"Credit," said Mr. Jarvie, "is elastic. In commerce, its basis is essentially the goods or the services it represents, and credit may be wisely extended almost indefinitely so long as it results in a reasonable exchange of goods or services. But credit is an extremely sensitive thing and is very largely dependent on confidence and, to some extent, on courage.

"In spite of all the misunderstanding regarding credit and that form of credit which we are specially considering—deferred payments—let me impress on you that credit is never voluntarily or willingly given unless to the credit-worthy. So those superior persons who tilt their noses at the thought of their friends who have used their credit might well bear in mind that the fact that credit was available to their friends was a testimonial to their probity and to their standing in the community, and not a reflection on their financial position.

Abuse Its Own Corrective

"Credit, like everything else, in its use has been abused from time to time by various people, but with abuse it automatically provides its own corrective. No person not credit-worthy can go on receiving credit indefinitely. No merchant or manufacturer can long continue extending credit unwisely. No banking house could finance manufacturers or merchants in the unwise extension of credit. Bad credits mean losses, and businesses cannot be run on losses.

"But there is frequently diffidence on the part of many people whose credit position is good to use their credit even at such a time as this, when the wise and courageous use of credit may mean much to the future progress of the country. Unwise and stupid economy has had a good deal of responsibility for the present depression, and many people who believed they were being thrifty and economical in the use of their wealth found that they had mistaken the shadow for the substance.

The Position Abroad

"Two outstanding examples of this were the disappearance of savings and, in fact, of all real money in Germany a few years ago and, still later, the position in the United States. If the use of credit by instalment buying in America for the purchase of capital goods and goods of enduring value needed any justification whatever, it has found it now.

"Throughout all the troubles of the recent years in America, instalment business has stood up better than any other class of business. The merchants selling their goods on deferred terms have weathered the storm better. The financial houses financing them have made an amazing stand as compared with the ordinary banks in the

United States. When the crash came in America, the people who used their credit and acquired goods had the goods and were able to retain them. Their physical assets had been increased.

"The thrifty people, on the other hand, who banked their money believing that money was wealth, in many cases have lost all their money through the failure of the banks, and today, have neither money nor goods.

How Installment Buying Reacts

"Perhaps the most discussed form of credit in the whole world within the last ten or fifteen years has been sales by deferred payments or hire-purchase. They are not necessarily the same. America was tremendously criticized for her so-called indulgence in an orgy of credit extension by instalment buying. Facts and figures show that the business under this heading in America was perfectly sound; that it was good business, and that it has reacted to America's benefit.

"The same thing applies in this country. More and more people are making purchases of certain classes of goods or services under some form of deferred payment or hire-purchase contract.

"There are 'bus systems running all over the United Kingdom today which never would have existed but for credit. There are functioning factories which never would have been equipped but for credit. There are private individuals owning cottages and the contents of the cottages who would never have been property owners at all without the use of credit.

Credit and "Luxury" Goods

"And the final argument put up by those who, on principle, oppose credit and deferred terms, is the alleged misuse of credit for the purchase of luxury articles. I shall anticipate the criticism by asking the simple question—'What is a luxury article?' If anyone can find the answer to that question, then I am prepared to continue the discussion.

"It would be a good thing for this country if all private individuals would examine their position and determine logically their credit position; if they would discover to what extent they would be justified in using their credit for the acquisition of property of various kinds; if they would decide how much of their savings should be in goods or property, and how much should be in invested money; if they would question whether the use of their credit would not put them in a position to improve their condition; if they would realize that on each one of them rests a duty, not only to himself or herself, but to the trade position of the country, to say nothing of the social improvements which are being made all the time through credit—of the still further amenities which credit would safely and readily provide.

The Credit Field Unlimited

"It would be a good thing if merchants and manufacturers would examine their position, and find out whether they are using their credit as efficiently as they should for their own purchases; whether they are extending credit as fully as they should to their customers.

"Credit business can be perfectly safe and it can be much more lasting than cash business, because the estab-

lishment of a credit relationship between a merchant and his customer generally endures. Some losses may be made, and inevitably will be made, of course. That is the very nature of things. But the additional business which credit makes possible can far more than offset any possible losses so long as the extension of credit is wisely and carefully conducted.

"The credit field is a wider field by far than the cash field. It is virtually unlimited. It is worthy of your closest attention and, remember, the exploitation of this field will have results and repercussions far beyond your own individual business."

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All Together for a Grand Finale!

(Continued from page 30.)

Regional Chairman Jensen of Pueblo and State Chairman Glass of Denver are on the job and while only 79 members have been reported to date from District 9, they state that they will be in the running when final results are tabulated.

Nashville and Memphis, Tennessee, and Birmingham, Alabama, in District 4, write that they are still "hitting the ball." A total of 70 members has been reported from the three cities and this may be doubled in the next 60 days.

Albany, New York, and Winnipeg, Manitoba, have just organized new Associations, which will be affiliated with the National. Both Associations expect to report a nice list of members prior to the Convention.

Springfield, Massachusetts and Providence, Rhode Island, two of our largest units in proportion to population, have reported a total of 39 members this year to date and are endeavoring to increase the number materially.

Regional Chairman Burris of Kansas City and State Chairman Paddon of St. Louis report considerable activity in their respective cities. A total of 130 members has been reported through March 31. Kansas City sent in 19 members in March and Mr. Burris writes that they have a number of applications to report this month.

Baltimore, New York, Kansas City, St. Louis, and Milwaukee are making splendid progress and will report a large number of new members. Baltimore with 176 and New York with 188 are leading the race. Des Moines with the largest local unit of the National in proportion to population has reported 53 members and will be heard from further before the close of the campaign.

On a basis of enthusiasm and the promises of the respective chairmen, April and May should produce 1,500 new members.

Let's Make Every Minute Count!

» » »

Ships - - and Lighthouses

(Continued from page 18.)

must be a willingness on the part of both sides—the credit granters and the bureaus—to get closer together and arrive at an equitable solution of these problems and others that I have not mentioned.

It is not my purpose to criticize anyone. Every one is entitled to his own opinion on these matters. Nor do I wish to leave the impression that our department is a model one. Even though I feel that we try to cooperate,

I know that there is always just a little more that we can do to cooperate.

That, I believe, applies to almost every credit department. My only purpose is to discuss this proposition of cooperation openly and frankly with the thought that such discussion and any that may follow will help all of us to realize our individual responsibilities—to our employers, to the credit bureau and to the cause of sound credit methods.

In the case of a wreck at sea a board of inquiry investigates immediately to determine the cause of the disaster and to find out how such a situation may be avoided in the future. We should have a board of inquiry in every community, composed of all credit granters and the managers of the credit bureau, who should gather themselves around the table and go into all of these matters and any other phase of the problem that I have not mentioned—and they should earnestly strive to iron out all differences of opinion, change methods here and there and pledge themselves to a new deal in cooperation—for the good of the retail credit business.

» » »

Applying Psychology to Adjustments

(Continued from page 26.)

this particular pattern. You must have used a great deal of care in selecting it." (She swells with pride.) "It's really something quite different." (She begins to want it more than anything else.) Then the next step is the suggestion that perhaps the best investment of her money is to keep the merchandise and accept an allowance.

It would be impossible to go into all these urges in the time I have, but if those of us who are dealing constantly with the actions and reactions of our fellow-humans will remember those urges which lead most directly to favorable contact—and also those urges which inhibit favorable contact—I'm sure that our percentages of successes will far outweigh our failures.

» » »

March Trends

(Continued from page 9.)

tion is retarding retail business; however, many new business firms are being established and available store space is rapidly being absorbed. . . . Cheyenne, Wyo., reported an increase of 25 per cent in credit sales—the greatest increase reported in this division. This was noted in automobiles, refrigerators, etc., due to the desire to avoid a state sales tax of 2 per cent which became effective April 1, 1935. Extremely dry weather still prevails in Wyoming which makes the outlook poor for farm and ranch business. . . .

Collections and credit sales in Montana and Idaho were fair; Idaho Falls, Idaho, however, reported an increase in collections of 10 per cent and an increase in credit sales of 25 per cent. . . . Lewiston, Idaho, reported that weather conditions retarded retail sales and collections during March. . . . Collections and credit sales in California were reported fair. . . .

Collections in Canada were reported good with an average increase of 11.6 per cent while credit sales were only fair with an increase of 4.9 per cent. . . . St. Catharine's, Ont., reported the greatest increase in collections as well as credit sales for Canada, 32.5 per cent and 15.0 per cent respectively. . . .

It's so Easy—

to overlook these things. Let us have your remittance now—and we can both forget it!

Thank You!

*You Forgot—
Didn't You?*

WHY not mail us a check now—while you have it in mind?
Thanks!

Please!

NOW that we've reminded you, won't you send us a check—please?

Thank You!

"We Recommend N. R. C. A. Stickers!"

—W. D. Sweger, General Credit Manager, Pomeroy's Department Stores, Inc., Reading, Pa.

"We were skeptical as to results," wrote Mr. Sweger, in an article in the March CREDIT WORLD, "but that was before we tried them!"

Read his record of actual results:

In November, 1934, 75.9 per cent of delinquent accounts collected and—

In December, 82.2 per cent of delinquent accounts collected—through the use of stickers alone!

Procedure was simple: Stickers were simply attached to statements mailed at intervals of ten days.

Over a million a year used by members! If you are doubtful, try a small order and be convinced. Exact size as shown, printed in two tones of blue on gummed white paper.

PRICE, \$2.00 A THOUSAND
(Small Quantities, 50c per 100)

Order From Your Credit Bureau

For the convenience of our members, we are encouraging the retail credit bureaus throughout the country to keep a stock of these collection helps on hand at all times. It will save time if you will order them from your local bureau.

(Credit Bureaus Note: For convenience in handling, all stickers are wrapped in lots of 1,000 and, in addition, a colored paper divider is placed between each 100, so that you may sell small assortments—without the bother of counting them.)

The Inserts

"Credit-explanation" as well as "credit-education" is the mission of these little enclosures. Used with statements and collection correspondence, they explain the reasons for prompt payment, courteously and impersonally.

Printed in two colors—red and black—on a good grade of white paper. Actual size, 3½ x 6 inches. (Reproduced below one-half size.)

PRICE, \$2.50 PER THOUSAND

Just to Remind You--

that this account has probably been overlooked and we'll appreciate your remittance.
Thank You!

*Let's
You Forget!*

This account is overdue. Won't you send your remittance now—lest you forget?
Thank You!

Your Remittance—

for this past due account will be appreciated. We'll be watching for it!
Many Thanks!

The "Who's Who" of Business

NOT all of us have our names recorded in "Who's Who" or the Social Register but—

All of us, whether in high or low estate, are catalogued in the "Who's Who" of Business—the records of the Retail Credit Bureau.

Here on a little card is kept the life history of your credit record—of how you meet your obligations or don't.

"Prompt Pay," the highest tribute in the "Who's Who" of Business, is the record of those who pay retail bills on the 10th of each month.

National Retail Credit Association

Executive Offices Saint Louis

The 10th of the Month Is Merchants' Pay Day!

THE retail merchant is a public servant. He serves you faithfully and well and, like any other faithful servant, expects his payment when due.

Retail charge accounts today are based on standard monthly terms:

Each month's charges are due on the 10th of the following month.

Whether you are an employer or an employee, you know what "pay day" means!

The 10th is the merchant's pay day. Pay him promptly. Prompt payments promote prosperity and protect your credit.

National Retail Credit Association

Executive Offices Saint Louis

Credit is Faith in Humanity

CREDIT—derived from the Latin credo: I believe—is based on faith—faith in people—faith in their character and determination to, as Emerson says, "pay every debt as if God wrote the bill!"

And he who justifies that faith, who pays his bills according to terms and promises, builds a credit record that is priceless.

Credit, never abused, is never refused. Pay retail bills promptly.

National Retail Credit Association

Executive Offices Saint Louis

"O.K."— What it means

THAT little notation, "O.K.", on your charge slips, is the badge of honor of the retail charge account.

It means that your credit is good—that you pay your bills promptly and according to promises.

It means that the merchant has confidence in your integrity.

"O.K." is the index of your credit record. Protect it and preserve it—pay retail bills promptly.

National Retail Credit Association

Executive Offices Saint Louis

Things You "Must See" ---In Rochester

ELSEWHERE in this issue you will find articles covering the serious side of the Convention. So, while we realize that this is to be a business meeting from start to finish (and we are doing our utmost to help you make it so), we want you in your lighter moments to see Rochester and its many attractions.

While you are in Rochester, there are several things you *must see*: The Eastman Theater, of course; Durand-Eastman Park, the second largest and perhaps the most beautiful, with a frontage of four miles on Lake Ontario; Highland Park and the Reservoir, if you love flowers. (Rochester is proud of its title as the "Flower City.")

Rochester is nationally known for its comprehensive park system. Five large and 28 small parks cover 1,777 acres. Three parks are on the Genesee and two are on Lake Ontario.

If you play golf—there are three eighteen-hole public golf courses and many private ones. Foremost are Oak Hill, Monroe, Country Club of Rochester, Brooklea and Locust Hill.

No visit to Rochester is complete without a trip through its industries: Kodak Park—The Eastman Kodak Company's plant of world-wide fame; the magnificent plant of the Bausch & Lomb Optical Company; and of special interest to retail executives, the great clothing factories which dot the city.



Airplane View of Rochester's Harbor

And—if your stay is longer—and we hope it will be—you will want to make Rochester your headquarters for excursions to the beauty spots of New York, all within easy access: the scenic spots along the shores of beautiful Lake Ontario; the famed Niagara Falls—less than a hundred miles away, on the famous "Honeymoon Trail"; and,

last but not least, the glorious Finger Lakes Region and the "Genesee Country" to the east and south—Conesus, Canandaigua, Seneca, Cayuga, Skaneateles, Owasco and Keuka—to mention only a part of it. (All within a radius of 75 miles, on well-paved highways.)

And beyond the lake lies Canada! Just an overnight boat trip to Canada's historical spots, via Lake Ontario. It is our understanding that the Canadian steamship lines will make special rates for boat trips to the Thousand Islands.

Come to Rochester prepared to spend your vacation here. You'll find a welcome that you won't soon forget (and we won't take down the welcome sign the day after the Convention).

Your Convention Committee will be only too glad to receive advance inquiries and to help you plan your vacation as well as your Convention stay for greatest enjoyment and benefit.

Write Leonard Berry, General Chairman, Rochester Convention Committee, care B. Forman Co., Rochester, N. Y.



Night View of Rochester's Sky Line

